A2500-2
11/3/88

Paper
Paperboard
& Wood Pulp

MONTHLY STATISTICAL SUMMARY - Vol. 66 No. 10 OCTOBER 1988

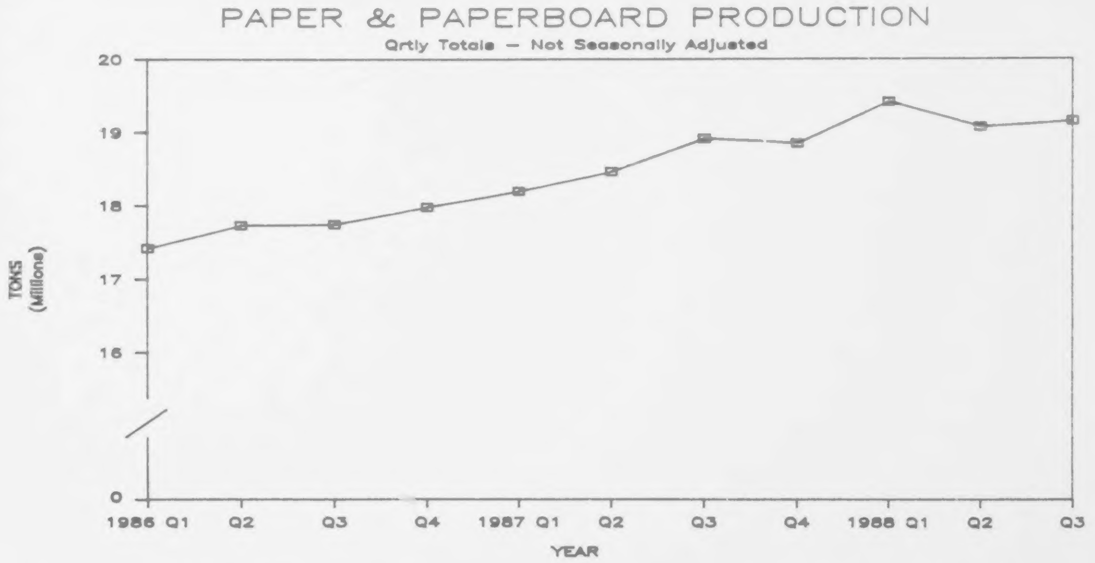
PAPER AND PAPERBOARD PRODUCTION: STILL STEADY

Now at near-record levels, paper and paperboard production continues along the flat trend it has been tracing throughout the year, advancing toward a 1988 total of some 77 million tons. Paper company sales are running above the $100 billion per year rate, for the first time ever. Paper production is still rising, but only slightly. Also anticipated to post another record high, annual paperboard production should very nearly match expected paper output.

The chart below pictures the quarterly production totals from the first quarter of 1986 through the third quarter of 1988. It highlights the rapid growth in production during 1986 and the first two quarters of 1987, followed by a subsequent levelling. The high in the first quarter of 1988 is probably seasonal, reflecting strong March output and the 215,000 tons produced on leap year day.

However, because of the changes in workday rules and the impact of the extra leap-year day in 1988, the seasonally adjusted data reported in the table on page 3 are only preliminary estimates, which attempt to trace the underlying trends from the available production data.

Production by grade: The printing-writing and "other" packaging and industrial paper grades continue to show the major strength in the paper sector. Shipments of coated papers and bleached bristols made the largest gains in the first three quarters of 1988.



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Imports of paper strengthened in August -- the latest month for which data are available -- moving above the million-ton level. Newsprint and groundwood papers accounted for 85% of the January-August total, with coated paper imports taking up another 6.5%. While imports of uncoated free sheet papers amounted to only 4.6% of the total, they are rising steeply; at 556,000 tons per year they were 46% above their year-ago total in the first eight months of 1988.

About 32% of the imports of writing papers in the first 8 months of 1988 came from Brazil, as did 44% of the imports of thin papers. In retaliation for the Brazilian government's refusal to provide U.S. companies with patent protection for pharmaceuticals and fine chemicals, the Reagan Administration, acting under Section 301 of the U.S. trade laws, imposed a 100% tariff on imports of paper and other selected products from Brazil, effective on October 30, 1988. Total imports from Brazil of their paper grades in the January-August 1988 period amounted to 92,328 tons, worth $60.4 million.

While the seasonally adjusted trend of paperboard is presently easing, the nine-month 1988 total was 2.8% above its corresponding 1987 total, with containerboard production for domestic use up 3.0% and boxboard production for domestic use up 4.2%. Inventories of containerboard at mills and boxplants declined by 85,000 tons in September, bringing the total down to 5.7 weeks of supply.

SALES AND EARNINGS

The table below presents data on sales and after-tax earnings for 27 paper and allied products companies for the first three quarters of 1988 and 1987, together with calculations showing changes from year-ago levels and the ratios of after-tax earnings to sales. These companies account for more than 60% of the sales of all paper and allied products companies as reported quarterly by the Bureau of the Census.

Both sales and after-tax profits moved to new highs, continuing their recovery from the lows of the early 1980's. Profits/sales ratios are now at levels not reached since the years just after World War II.

Paper and Allied Products Companies

Sales and Earnings

	Sales			Net Profit After Taxes			Net Profits/Sales	
	1988	1987	88/87	1988	1987	88/87	1988	1987
	(Thousand Dollars)		%	(Thousand Dollars)		%	%	%
			27 Paper and Allied Products Companies					
First Quarter	15,859,129	13,380,019	18.5	1,207,544	720,855	67.5	7.61	5.39
Second Quarter	16,439,176	14,393,902	14.2	1,362,765	928,823	46.7	8.29	6.45
Third Quarter	16,857,259	14,914,318	13.0	1,592,539	1,009,902	57.7	9.45	6.77
Fourth Quarter								
Year-to-date	49,155,564	42,688,239	15.2	4,162,848	2,659,580	56.5	8.47	6.23
			4 Forest Product Companies					
First Quarter	4,500,193	3,931,746	14.5	274,550	204,868	34.0	6.10	5.21
Second Quarter	5,108,811	4,388,302	16.4	314,728	279,194	12.7	6.16	6.36
Third Quarter	4,955,145	4,818,410	2.8	303,991	293,800	3.5	6.13	6.10
Fourth Quarter								
Year-to-date	14,564,149	13,138,458	10.9	893,269	777,862	14.8	6.13	5.92

Continued on page 11

PAPER AND PAPERBOARD STATISTICS

PRODUCTION, SHIPMENTS AND ORDERS
(Thousands of Short Tons)

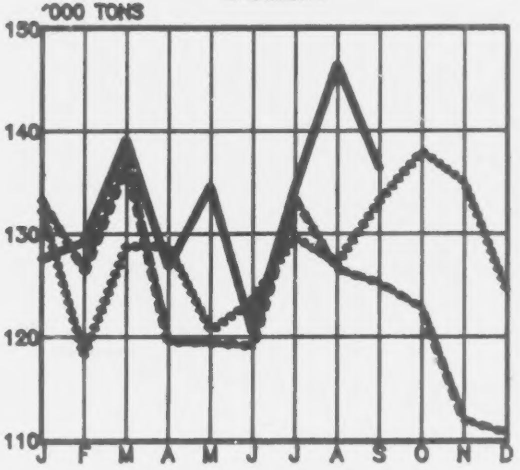
	YEAR 1986	YEAR 1987	JUNE 1988 (P)	JULY 1988 (P)	AUGUST 1988 (P)	SEPTEMBER 1988 (P)	Annual Rate Y-T-D 1988	% Change From same Period Last Year
PAPER								
Newsprint - Production	5,630	5,842	490	481	509	492	5,959	2.7
- Shipments	5,638	5,854	495	475	506	493	5,914	1.7
Printing & Writing Sum	19,668	20,780	1,797	1,750	1,901	1,781	21,829	6.0
Groundwood Paper - Shipments	1,540	1,485	120	134	147	136	1,593	4.8
- New Orders	1,553	1,529	122	131	136	138	1,587	1.7
-Unfilled Orders	124	164	188	177	171	171	171	18.0
Coated Papers - Shipments	6,263	6,860	617	594	645	595	7,390	9.1
- New Orders	6,334	7,066	612	662	637	573	7,441	5.5
- Unfilled Orders	469	708	688	746	755	721	721	3.8
Unctd Free Sheet - Shipments	10,410	10,977	937	906	980	929	11,335	4.4
- New Orders	10,485	11,184	965	909	951	899	11,371	3.2
- Unfilled Orders	587	773	828	818	805	769	769	14.6
Thin Papers - Shipments	271	251	16	14	19	20	227	-9.1
Cotton Fiber Paper - Shipments	152	163	13	12	13	12	160	-2.7
Bleached Bristols - Production	1,033	1,044	94	91	99	90	1,124	9.0
Tissue Paper - Production	5,095	5,301	454	452	471	455	5,471	3.8
Total Packaging & Other Paper	5,117	5,072	423	408	431	439	5,201	3.0
Unbl. Kraft Paper - Shipments	3,303	3,079	244	239	251	260	3,037	-1.6
Other Paper - Production	1,814	1,993	180	169	180	179	2,164	10.4
TOTAL PAPER-Production-Unadj.	35,510	36,994	3,165	3,091	3,312	3,167	38,460	4.7
-Production-S.A.			3,205	3,211	3,217	3,222	38,39[illegible]	4.3
PAPERBOARD - PRODUCTION								
Solid Wood Pulp Furnish	27,336	28,944	2,416	2,488	2,555	2,417	29,592	2.2
Total Unbl. Kraft Paperboard	17,689	18,913	1,583	1,619	1,666	1,590	19,398	2.6
Unbl. Kraft Linerboard (1)	16,402	17,682	1,480	1,511	1,552	1,481	18,108	2.7
Production for Export	2,246	2,318	197	191	203	185	2,395	0.5
Other Unbl. Kraft Paperboard	1,287	1,232	104	108	114	109	1,290	0.5
Semichemical Paperboard	5,376	5,600	466	480	494	472	5,713	1.7
Production for Export	213	189	9	10	14	11	134	-33.2
Solid Bleached Paperboard	4,222	4,420	366	389	395	355	4,482	1.3
Production for Export	569	619	53	46	55	47	602	-4.2
Recycled Paperboard	8,092	8,506	737	694	730	711	8,825	4.6
Production for Export	70	75	6	6	6	3	71	2.2
TOTAL PAPERBOARD-Prod.-Unadj.	35,379	37,439	3,152	3,181	3,284	3,127	38,417	2.8
- Containerboard Prod.(Dom. Use)	21,426	23,016	1,923	1,985	2,003	1,948	23,605	3.0
- Boxboard Prod.(Dom. Use) (2)	5,863	6,026	512	518	539	498	6,242	4.2
- All Other P'bd Prod.(D.U.) (2)	4,992	5,196	453	425	463	435	5,370	3.2
- Total Paperbd Prod. for Export	3,097	3,201	265	254	279	247	3,201	-2.4
TOTAL PAPERBOARD PROD.- S.A.			3,174	3,163	3,151	3,139	38,054	2.4
TOTAL PAPER AND PAPERBOARD Production - Unadj. (R)	70,889	74,433	6,317	6,272	6,597	6,294	76,877	3.7
Production - S.A.			6,380	6,374	6,368	6,361	76,450	3.3

(1) Includes all exports of kraft paperboard. R - Revised P - Preliminary S.A. - Seasonally Adjusted

(2) Data for unbl. kraft folding boxboard incl. in All Other P'bd.

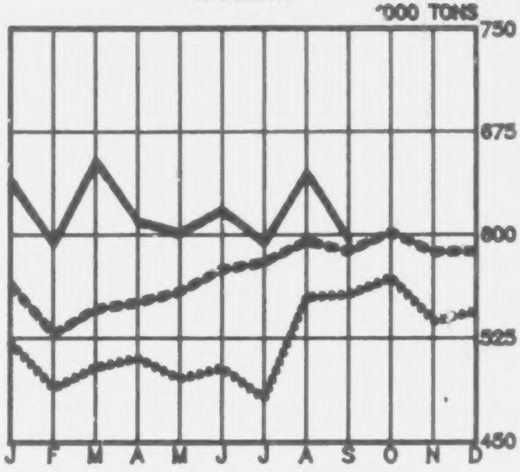
GROUNDWOOD PAPER, UNCOATED

SHIPMENTS



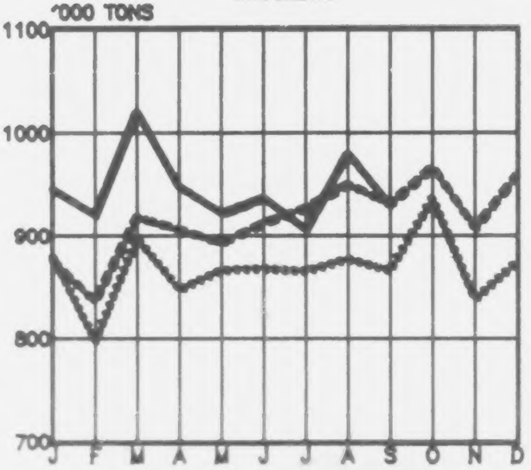
COATED PAPER

SHIPMENTS



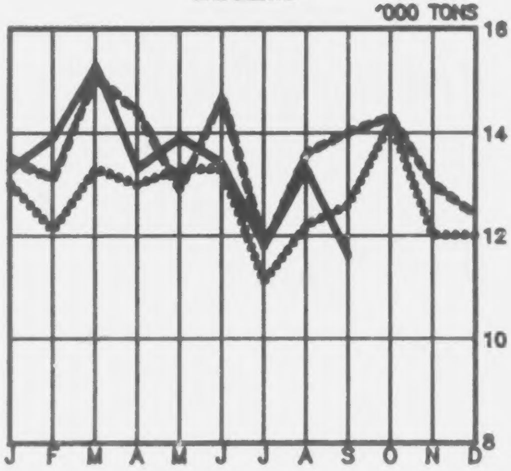
UNCOATED FREE SHEET PAPERS

SHIPMENTS



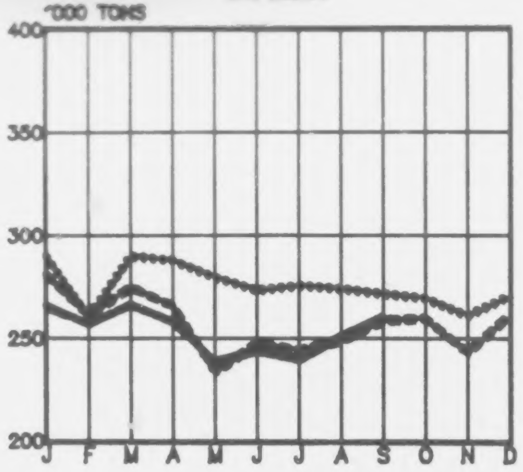
COTTON FIBER PAPER

SHIPMENTS



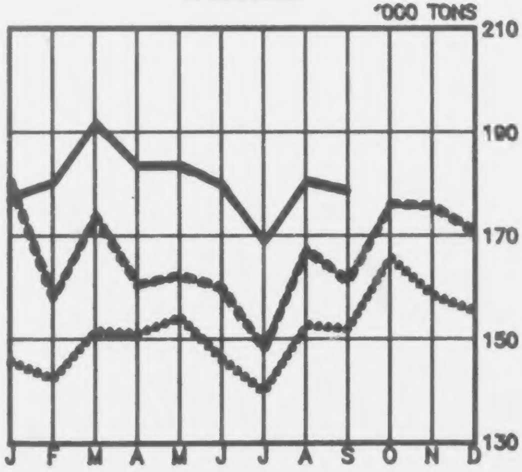
UNBLEACHED KRAFT PACKAGING AND INDUSTRIAL CONVERTING PAPER

SHIPMENTS



OTHER PAPER

PRODUCTION



1986 ········ 1987 ━ ━ ━ 1988 ━━━━

WOOD PULP STATISTICS
(Thousands of Tons)

	YEAR						Annual Rate	% Change
	1986	1987	MAY 1988	JUNE 1988	JULY 1988	AUGUST 1988	Y-T-D 1988	from same Period Last Year
TOTAL WOOD PULP					R	P		
Total Wood Pulp - Production	57,005	59,552	5,004	4,949	5,219	5,269	61,296	3.2
- Imports	4,582	4,850	415	415	416	460	5,077	5.2
- Exports	4,458	4,889	433	497	392	497	5,396	11.6
- New Supply	57,129	59,513	4,986	4,867	5,243	5,231	60,977	2.7
Dissolving Pulp - Production	1,258	1,312	113	117	117	119	1,342	3.4
- Imports	255	198	16	19	11	24	238	10.8
- Exports	711	752	61	101	56	63	823	9.4
- New Supply	801	757	68	36	72	81	757	-0.5
Paper Grades Chemical Pulp - Production	46,081	48,293	4,011	4,003	4,241	4,276	49,638	2.9
- Imports	4,220	4,456	360	362	375	404	4,466	0.4
- Exports	3,689	4,111	368	395	331	431	4,524	11.5
- New Supply	46,612	48,637	4,003	3,971	4,284	4,248	49,579	2.0
Groundwood and Thermo-Mech. - Production	5,476	5,702	507	480	497	504	5,975	6.5
- Imports	108	197	39	33	30	32	374	132.2
- Exports	59	26	3	1	4	3	49	100.6
- New Supply	5,525	5,872	543	512	523	532	6,300	9.6
Semi-Chemical - Production	4,191	4,246	373	349	363	371	4,341	2.3
- Imports								
- Exports								
- New Supply	4,191	4,246	373	349	363	371	4,341	2.3
MARKET WOOD PULP								
Total Market Wood Pulp - Production	7,572	8,114	655	686	728	755	8,452	4.8
- Imports	3,122	3,235	279	299	300	336	3,567	12.0
- Exports	4,470	4,820	379	456	382	442	4,935	5.5
- New Supply	6,224	6,529	556	529	646	650	7,084	7.9
Dissolving Pulp - Production	1,251	1,308	113	117	117	119	1,340	3.6
- Imports	212	154	13	18	11	22	209	28.8
- Exports	718	775	59	79	48	63	748	0.3
- New Supply	745	687	66	56	79	77	801	12.9
Paper Grades Chemical Pulp - Production	6,315	6,806	543	570	611	636	7,113	5.1
- Imports	2,831	2,975	238	258	267	294	3,104	6.2
- Exports	3,752	4,045	320	378	334	379	4,188	6.5
- New Supply	5,394	5,736	461	450	544	551	6,029	4.7
Groundwood Pulp and All Other - Production	5	0	0	0	0	0	0	0
- Imports RS	79	106	29	23	22	21	258	160.3
- Exports	0	0	0	(0)	(0)	0	(0)	0.0
- New Supply	85	106	29	23	22	21	258	160.5

SOURCES: Total Wood Pulp Production & Market Wood Pulp Production, Imports & Exports - Pulp Division, Pulp, Materials and Technology Group, API. Total Wood Pulp Imports & Exports - Department of Commerce.

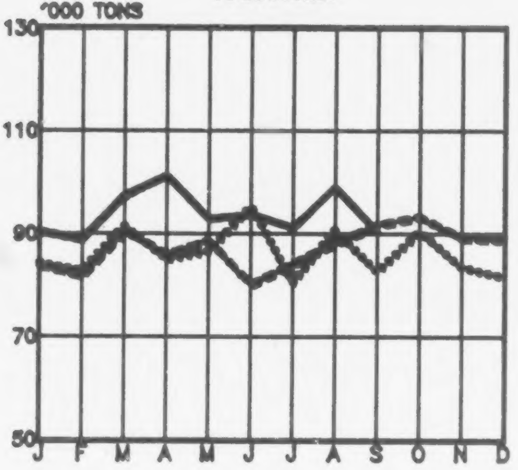
FIBROUS RAW MATERIALS
(Thousands of tons)

	YEAR						Annual Rate	% Change
	1986	1987	MAY 1988	JUNE 1988	JULY 1988	AUGUST 1988	Y-T-D 1988	from same Period Last Year
CONSUMPTION AT PAPER & PAPERBOARD MILLS					R	P		
Total	74,345	77,770	6,652	6,494	6,685	6,855	80,003	3.5
Total Wood Pulp	57,061	59,474	5,041	4,931	5,160	5,240	61,104	3.1
Waste Paper	17,285	18,296	1,611	1,563	1,526	1,615	18,899	4.7
INVENTORIES								
Chemical Paper Grade Market Pulp								
Producers' Own-Use Inventories	174	170	160	175	194	199	199	12.0
Producers' Market Inventories	284	224	243	193	236	248	248	-27.1
Consumers' Purchased Inventories ‡	496	529	513	534	548	634	634	17.6
Waste Paper at Paper & Bd. Mills	838	920	897	904	896	959	959	20.3
Days of Supply at Pulp Mills of Chemical Paper Grade Mkt Pulp	16	12	13	10	12	12	12	-33.3

SOURCES: Wood Pulp Data, Pulp Division, Pulp, Materials and Technology Group, API. Waste Paper Data, Paper Recycling Committee, API. ‡ Includes all grades of wood pulp.
P - Preliminary; R - Revised; (0) - Indicates zero to five-hundred short tons RS - 1988 Revised Series

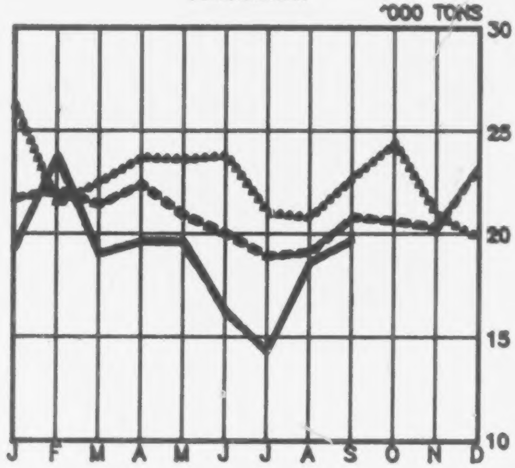
BLEACHED BRISTOLS

PRODUCTION



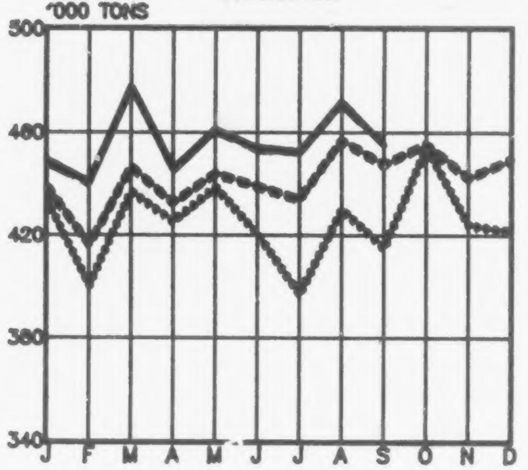
THIN PAPER

PRODUCTION



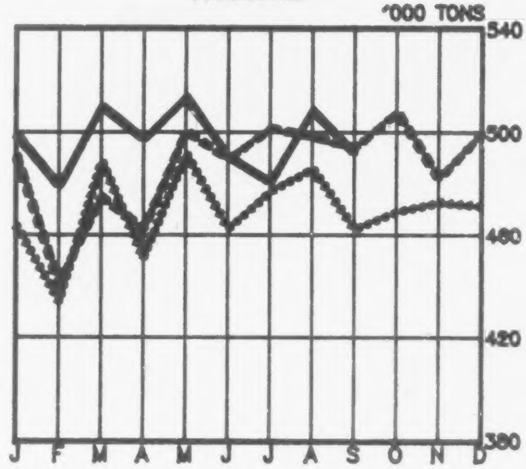
TISSUE PAPER

PRODUCTION



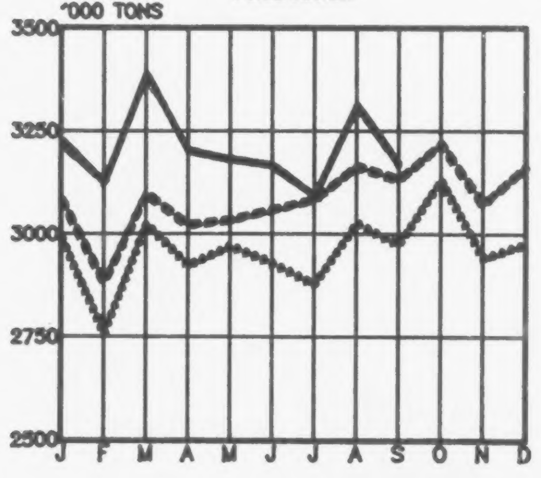
NEWSPRINT

PRODUCTION



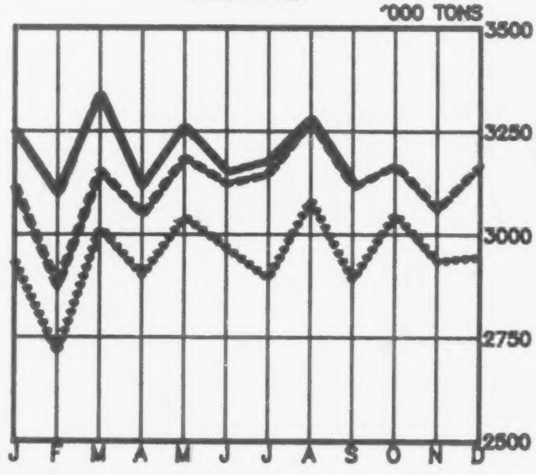
TOTAL PAPER

PRODUCTION



TOTAL PAPERBOARD

PRODUCTION



1986 ········ 1987 ▬▬▬ 1988 ———

FIBROUS RAW MATERIALS

(Thousands of Standard (128 cubic foot) Cords)

		YEAR 1986	YEAR 1987	MAY 1988	JUNE 1988	JULY 1988	AUGUST 1988	Annual Rate Y-T-D 1988	% Change From Same Period Last Year
PULPWOOD									
Total U.S.	- Total Receipts	90,943	94,312	7,611	7,766	7,652	8,007	94,430	0.6
	- Total Consumpt	91,434	93,946	7,650	7,689	7,901	7,951	95,315	1.6
	- Residues *	32,755	32,899	2,753	2,603	2,697	2,769	33,018	1.6
	- Inventories	4,794	5,096	4,420	4,507	4,232	4,325	4,325	-8.0
So. Atlantic	- Total Receipts	29,513	31,147	2,412	2,489	2,541	2,653	31,020	1.4
	- Total Consumpt	29,425	30,915	2,450	2,512	2,613	2,652	31,320	2.5
	- Residues *	9,343	9,553	785	683	800	795	9,717	6.4
	- Inventories	994	1,211	1,041	1,033	980	997	997	-4.1
Northeast	- Total Receipts	7,277	6,941	541	630	569	623	6,980	-0.9
	- Total Consumpt	7,227	7,109	621	582	578	599	7,367	1.6
	- Residues *	1,419	1,543	134	141	107	150	1,622	5.7
	- Inventories	484	594	402	445	430	429	429	-8.9
South Central	- Total Receipts	31,790	33,650	2 716	2,789	2,632	2,835	33,276	-0.7
	- Total Consumpt	32,113	33,059	2,699	2,748	2,742	2,789	33,410	1.3
	- Residues *	9,792	9,992	802	841	815	830	9,843	-2.5
	- Inventories	926	1,294	1,018	1,068	937	987	987	-5.8
North Central	- Total Receipts	6,571	6,552	563	586	557	556	7,011	8.2
	- Total Consumpt	6,730	6,764	606	582	566	565	7,067	4.8
	- Residues *	1,042	1,263	105	118	107	118	1,383	28.1
	- Inventories	892	830	818	806	802	803	803	-4.1
West	- Total Receipts	15,792	16,022	1,379	1,272	1,353	1,340	16,143	-0.9
	- Total Consumpt	15,939	16,099	1,274	1,265	1,402	1,346	16,152	-0.7
	- Residues *	11,159	10,548	927	820	868	876	10,454	-2.0
	- Inventories	1,498	1,167	1,141	1,155	1,083	1,109	1,109	-15.1

* - Consumption of Residues in Cord Equivalents. SOURCE: American Pulpwood Association 25-Oct-88

UNITED STATES TRADE WITH CANADA

IMPORTS FROM CANADA

	YEAR 1987 Tons	1987 ($000's)	JULY 1988 Tons	JULY 1988 ($000)	AUGUST 1988 Tons	AUGUST 1988 ($000)	Annual Rate Y-T-D -1988 Tons	% Change From same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	15,382	1,736	5,328	555	6,860	601	40,763	384.6
Pulpwood chips	487,147	15,250	98,480	4,192	68,802	3,011	840,720	103.4
Wood Pulp, Total	4,320,114	1,842,019	379,673	204,178	385,265	209,860	4,361,261	1.2
Waste Fibrous Materials, Total	186,286	36,423	17,279	4,094	16,960	3,502	239,167	27.4
Paper, Board & Products, Total	10,588,047	5,093,903	885,869	479,229	900,118	496,135	10,769,117	1.7
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	10,441,472	4,845,663	874,744	460,816	888,572	474,169	10,624,816	1.8
Paper, Paperboard & Products	10,365,412	5,027,943	867,749	473,765	878,792	489,512	10,561,830	2.1
Paper & Paperboard, Only	10,218,838	4,779,702	856,624	455,351	867,246	467,546	10,417,529	2.1
Paper, Total	9,961,198	4,698,148	836,350	447,653	842,038	458,235	10,149,547	2.0
Newsprint	8,588,309	3,956,147	707,533	368,309	702,811	371,649	8,545,614	-0.8
Printing, Writing & Rel. Pap.	1,111,641	601,978	108,143	67,081	113,520	70,913	1,314,272	21.8
Pack. & Ind. Conv. Paper	215,514	102,986	17,457	9,256	20,975	11,261	235,069	8.6
Special Industrial Paper	5,478	9,844	309	594	384	778	4,537	-18.5
Tissue Paper	40,257	27,194	2,908	2,414	4,349	3,635	50,055	25.8
Paperboard, Total	257,639	81,554	20,274	7,698	25,207	9,311	267,982	7.3
Convtd Paper&Paperbd Products	146,575	248,241	11,125	18,414	11,546	21,965	144,301	-1.0
Wet Machine Board	2,890	1,977	138	102	265	190	3,002	1.4
Construction Paper & Board	219,744	63,983	17,982	5,362	21,062	6,433	204,285	-12.6

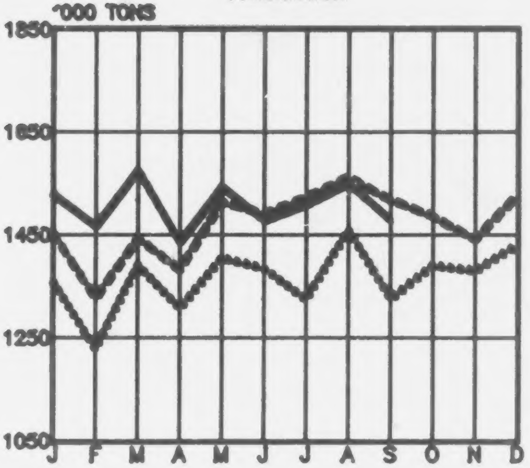
EXPORTS TO CANADA

	YEAR 1987 Tons	1987 ($000's)	JULY 1988 Tons	JULY 1988 ($000)	AUGUST 1988 Tons	AUGUST 1988 ($000)	Annual Rate Y-T-D -1988 Tons	% Change From same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	12,617	770	0	0	1,259	88	13,452	43.7
Pulpwood chips	61,575	4,014	2,549	117	3,626	166	43,196	-41.3
Wood Pulp, Total	198,921	75,956	20,575	7,359	26,514	8,777	266,885	32.4
Cotton Pulp & Other Pulp	58,288	14,775	5,968	1,917	5,607	1,733	81,093	61.3
Waste Paper	286,898	30,592	27,214	3,047	42,696	4,977	335,229	22.3
Paper, Board & Products, Total	957,434	598,429	75,985	53,424	88,485	65,478	1,251,259	38.2
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	712,494	398,256	55,545	32,470	66,278	41,575	967,275	43.4
Paper, Paperboard & Products	920,755	581,481	73,788	52,640	84,823	63,805	1,217,010	39.8
Paper & Paperboard, Only	675,815	381,308	53,348	31,686	62,616	39,902	933,026	45.9
Paper, Total	297,585	250,807	22,140	20,751	28,578	26,299	350,780	20.5
Newsprint	4,525	3,728	407	407	462	417	4,102	-20.7
Printing, Writing & Rel. Pap.	151,716	125,667	12,632	11,851	15,392	15,677	173,902	21.3
Pack. & Ind. Conv. Paper	25,826	17,841	2,677	1,873	3,283	2,841	39,222	59.9
Special Industrial Paper	110,107	97,080	5,949	6,085	8,229	6,516	127,075	13.0
Tissue Paper	5,411	6,490	475	534	1,212	847	6,479	16.9
Paperboard, Total	378,230	130,501	31,208	10,936	34,039	13,604	582,246	67.0
Convtd Paper&Paperbd Products	244,940	200,173	20,440	20,954	22,206	23,903	283,985	23.1
Wet Machine Board	10,212	4,828	585	224	573	222	7,158	-33.1
Construction Paper & Board	26,467	12,120	1,612	560	3,089	1,451	27,091	12.2

SOURCE: Bureau of Census, Department of Commerce . E - Estimate of tonnage based on square foot data 25-Oct-88

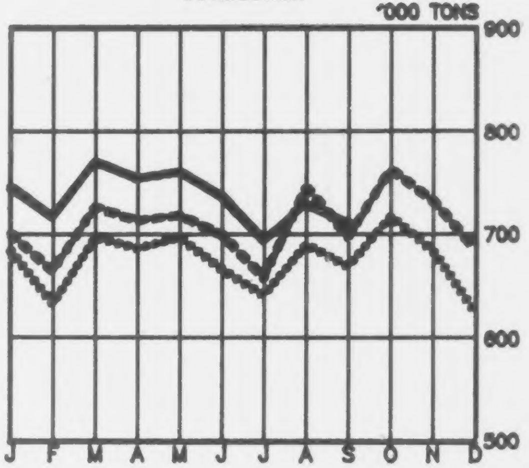
UNBLEACHED KRAFT LINERBOARD

PRODUCTION



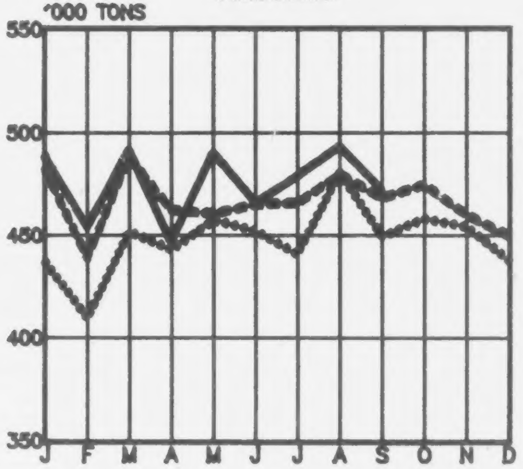
RECYCLED PAPERBOARD

PRODUCTION



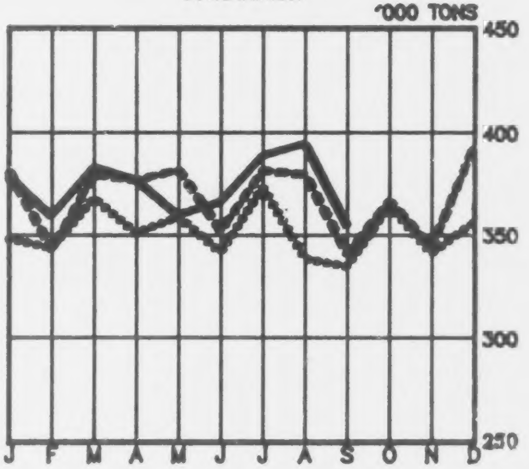
SEMICHEMICAL PAPERBOARD

PRODUCTION



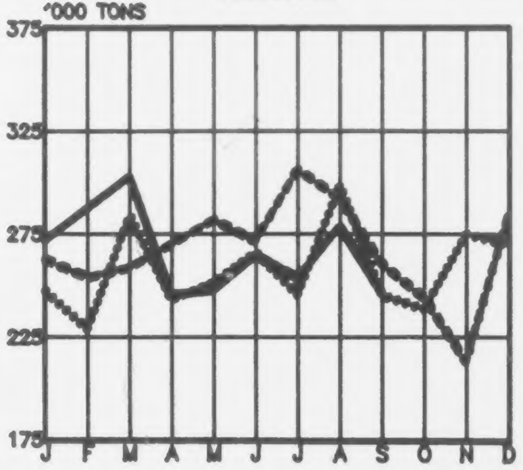
SOLID BLEACHED PAPERBOARD

PRODUCTION



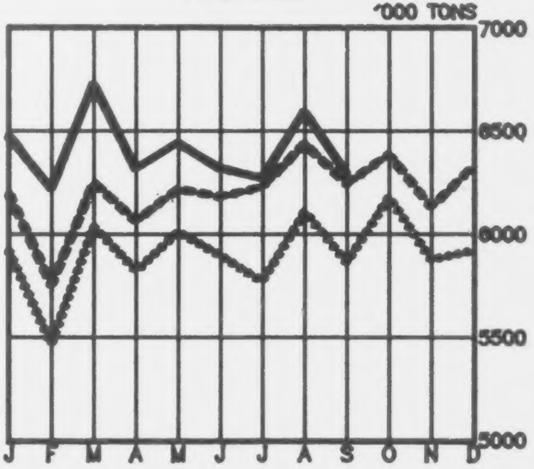
PAPERBOARD FOR EXPORT

PRODUCTION



TOTAL PAPER AND PAPERBOARD

PRODUCTION



1986 ········ 1987 ━ ━ ━ 1988 ━━━

IMPORTS

	YEAR 1987 Tons	YEAR 1987 $000	1988 JULY Tons	1988 JULY $000	1988 AUGUST Tons	1988 AUGUST $000	(1) Annual Rate YTD 1988 Tons	% Change from same Period Last Year
Pulpwood Roundwood (cords)	15,432	1,746	5,328	555	6,860	601	40,766	380.3
Pulpwood Chips	525,629	15,476	99,072	4,214	69,150	3,031	855,705	83.9
Total All Imports	17,891,172	9,043,600	1,510,365	882,775	1,591,798	947,384	18,484,019	4.5
Wood Pulp Total	4,850,238	2,069,389	416,152	224,594	459,845	254,540	5,076,521	5.2
Waste Paper	127,398	19,231	11,808	2,221	12,112	2,000	166,575	39.2
Other Fibrous Materials	76,491	27,287	7,251	2,640	7,047	2,295	94,997	8.9
Paper Board & Products Total	12,837,046	6,927,693	1,075,154	653,319	1,112,794	688,550	13,145,925	3.9
Paper Paperboard Wet Machine Bd. & Construction Paper & Board	12,435,486	5,995,122	1,038,881	570,935	1,073,106	597,439	12,728,730	4.0
Paper Ppbd & Prds ex Cnst&WMB	12,527,598	6,828,736	1,048,202	644,092	1,082,510	678,165	12,838,333	4.2
Paper & Paperboard Only	12,126,039	5,896,165	1,011,929	561,708	1,042,822	587,053	12,421,138	4.3
Paper Total	11,765,208	5,768,703	987,660	552,076	1,010,947	574,835	12,078,634	4.6
Newsprint	8,986,548	4,121,327	728,074	377,082	730,629	385,010	8,850,035	-1.2
Printing & Writing	2,410,216	1,412,458	226,080	151,354	237,934	163,769	2,819,136	26.9
Uncoated Groundwood	1,269,774	654,767	103,753	59,406	116,903	68,616	1,416,017	20.8
Coated Print.& Impreg. Pap.	674,531	467,865	71,602	55,948	72,741	59,746	786,484	27.6
Uncoated Free Sheet	417,395	249,943	45,515	32,152	44,290	31,857	555,764	46.2
Uncoated Book	210,624	119,775	22,987	15,360	20,713	14,385	241,144	16.2
Writing and Similar Paper	206,771	130,168	22,529	16,792	23,578	17,472	314,620	82.3
Thin (except Cigarette)	47,567	38,831	3,731	3,249	3,723	3,377	57,445	10.9
Bristols	950	1,052	1,480	599	377	172	3,427	290.1
Total Pkg & Other Paper	310,324	191,620	27,890	18,660	37,887	22,140	343,500	11.5
Unbleached Kraft Paper	168,420	69,828	12,666	6,027	16,013	7,264	169,058	1.1
Other Pkg. & Indust. Paper	141,904	121,792	15,225	12,633	21,875	14,876	174,442	24.0
Tissue	58,121	43,299	5,616	4,981	4,497	3,916	65,963	16.7
Paperboard, Total	360,831	127,461	24,268	9,632	31,875	12,219	342,504	-5.7
Test or Containerboard	80,981	29,352	6,695	2,978	9,267	3,886	78,544	1.2
Semi-Chemical Corrugating	128,636	33,898	9,560	3,080	12,845	4,070	149,982	20.9
Other Paperboard	151,214	64,211	8,013	3,574	9,763	4,263	113,978	-29.5
Convtd Paper&Paperbd Products	401,559	932,571	36,274	82,384	39,688	91,111	417,195	1.3
Paper Products, Total	368,179	866,121	33,277	77,045	36,363	84,040	379,971	0.7
Paperboard Products, Total	33,380	66,450	2,997	5,339	3,325	7,071	37,224	8.0
Wet machine Board	3,463	2,638	279	285	390	320	4,284	22.5
Construction Paper & Board	305,985	96,320	26,673	8,942	29,895	10,065	303,308	-6.4
Notes								
Other: No Weight Avail. ($000)		201,453		13,873		15,755	178,384	-13.4
Total Imports Incl. Other($000)		9,245,053		896,647		963,139	10,779,292	20.1

EXPORTS

							(1)	
Pulpwood, Roundwood (cords)	16,178	913	0	0	1,259	88	14,715	20.8
Pulpwood Chips	2,546,467	188,459	321,247	27,517	255,899	22,455	3,191,270	32.6
Total All Exports	14,797,437	6,007,818	1,337,827	579,466	1,459,503	662,107	16,931,160	16.5
Wood Pulp,Total	4,889,331	2,259,377	391,812	216,807	497,420	270,663	5,396,202	11.6
Cotton Pulp and Other Pulp	182,001	91,365	15,693	8,760	12,475	7,325	202,178	14.6
Waste and Old Paper	4,422,139	553,348	490,655	58,397	474,312	58,182	5,497,106	31.4
Paper, Board & Products,Total	5,303,966	3,103,728	439,667	295,501	475,296	325,937	5,835,675	9.3
Paper,Paperboard,Wet Machine Bd. & Construction Paper & Board	4,578,770	2,280,329	377,823	213,327	403,667	230,802	5,015,723	8.1
Paper, Ppbd & Prod ex Cnst&WMB	5,196,613	3,044,506	430,671	290,655	464,586	320,186	5,700,175	8.9
Paper & Paperboard, Only	4,471,418	2,221,107	368,827	208,481	392,957	225,051	4,880,222	7.6
Paper, Total	921,397	776,181	82,070	75,728	90,841	86,510	1,055,703	15.7
Newsprint	339,773	210,093	36,820	25,187	35,704	24,842	364,484	2.7
Printing & Writing	249,092	242,639	20,213	22,467	25,036	29,023	286,386	21.8
Uncoated Groundwood	55,841	39,750	4,291	3,587	4,952	4,801	64,990	29.3
Clay Coated Paper	100,839	72,145	6,492	4,936	9,163	7,682	103,299	8.1
Uncoated Free Sheet	67,858	99,330	6,514	10,181	8,174	12,623	83,229	32.2
Other Printing & Writing	24,554	31,414	2,917	3,762	2,748	3,917	34,868	32.4
Total Pkg. & Other Paper	294,201	292,659	23,271	25,801	26,303	28,622	347,383	20.4
Unbleached Kraft	89,194	40,758	8,063	3,859	8,465	4,788	100,575	16.5
Other Pkg. & Indust. Paper	205,007	251,901	15,208	21,942	17,838	23,834	246,808	22.1
Tissue	38,332	30,790	1,767	2,274	3,798	4,022	57,450	67.3
Paperboard, Total	3,550,021	1,444,926	286,757	132,753	302,116	138,541	3,824,520	5.6
Solid Wood Pulp	3,218,952	1,321,618	266,388	121,977	277,353	126,687	3,529,536	6.6
Total-Linerboard	2,296,633	812,161	179,881	71,202	185,770	72,340	2,274,047	-4.2
Bleached Kraft Linerboard	102,266	46,429	12,022	6,076	5,387	3,353	132,131	72.9
Unbleached Kraft Linerbd	2,194,367	765,731	167,859	65,126	180,383	68,988	2,141,917	-6.7
Other Unbleached Kraft	210,566	78,596	25,511	8,695	23,755	7,842	483,379	117.7
Other Bleached Kraft	647,803	407,923	59,573	41,468	63,430	44,481	724,130	13.3
Semi-Chemical Corrugating	63,951	22,938	1,423	613	4,398	2,024	47,979	-36.4
Recycled Paperboard	331,069	123,308	20,369	10,775	24,763	11,854	294,984	-5.5
Convtd Paper&Paperbd Products	725,196	823,399	61,844	82,174	71,629	95,135	819,952	17.4
Paper Products, Total	301,202	540,681	26,851	51,582	34,216	63,563	359,947	21.8
Paperboard Products, Total	423,994	282,718	34,993	30,592	37,413	31,572	460,005	14.2
Wet Machine Board	17,328	7,816	822	340	864	348	12,181	-35.1
Construction Paper & Board E	90,024	51,405	8,174	4,506	9,846	5,403	123,320	44.1
Notes								
Other: No Weight Avail. ($000)		8,037		763		909	9,121	15.4
Total Exports Incl. Other($000)		6,015,855		580,228		663,016	7,367,696	24.9

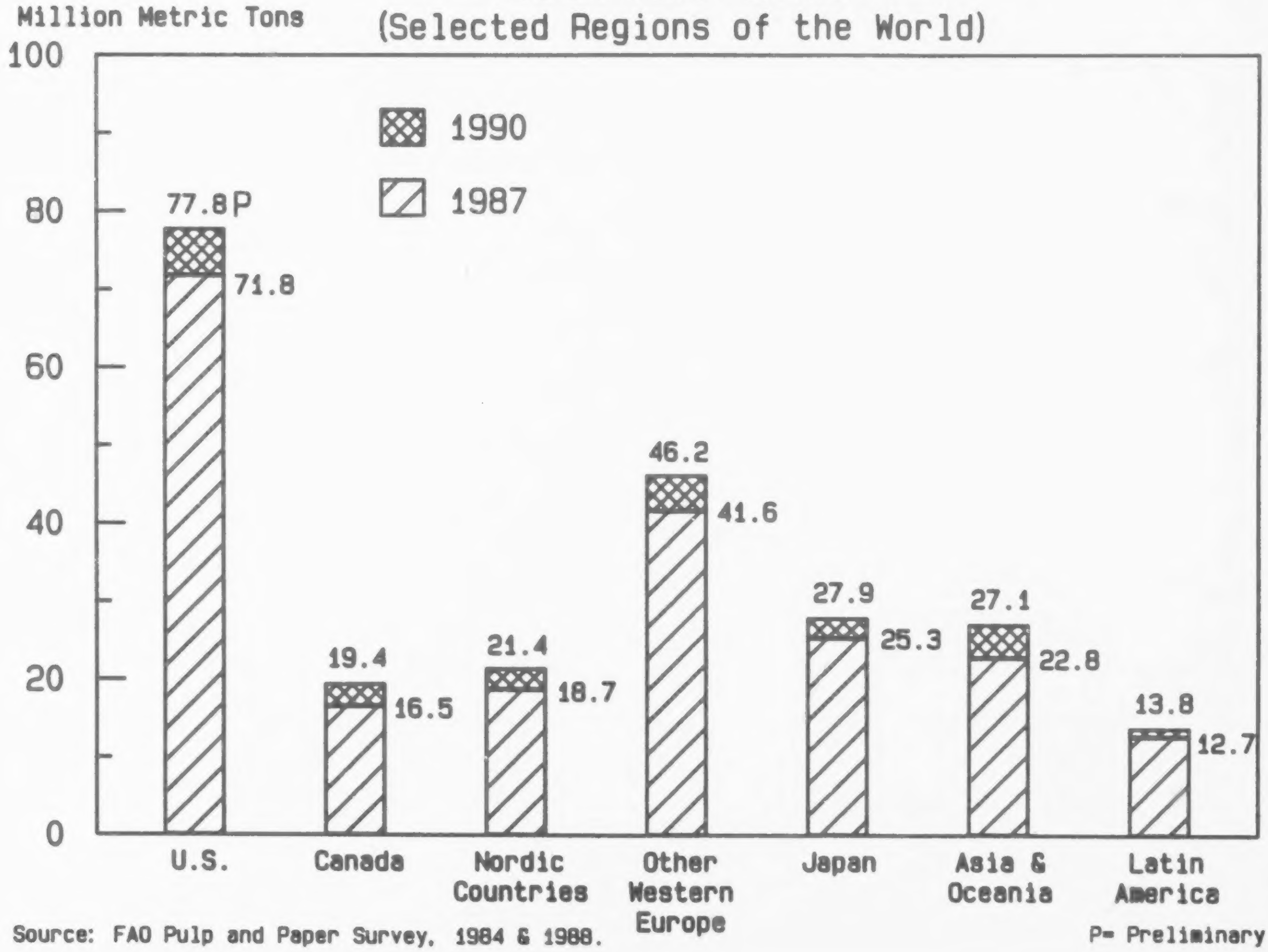
SOURCE: Bureau of Census, U.S. Department of Commerce. E - Incl. estim. of tonnage based on square foot data.
(1) Annual Rate Year-To-Date is in tons unless otherwise specified in item description.

PRODUCER PRICE INDEXES
1982 = 100

	1986	1987	JUNE 1988	JULY 1988	AUGUST 1988	SEPTEMBER 1988	Annual Rate Y-T-D 1988	% Change from same Period Last Year
Pulp, Paper and Products except Building Grades	107.5	114.3	124.8	125.6	126.3	127.6	123.6	9.0
Pulp Paper & Products, ex. Building Grades & ex Waste Paper *	106.9	113.2	123.8	124.6	125.3	126.6	122.5	9.1
Total Wood Pulp	94.7	111.5	140.1	138.3	141.0	142.3	134.3	22.5
Total Paper	107.0	111.5	122.3	123.6	124.7	125.4	121.7	10.1
Total Paper, exc. Newsprint	107.9	110.6	121.9	123.9	125.4	126.1	121.5	11.0
Newsprint	103.3	112.3	127.5	127.4	127.3	127.3	127.6	15.2
Total Paperboard	106.5	118.1	134.0	134.3	134.5	136.3	132.1	13.3
Total Paper and Paperboard *	106.8	113.6	126.0	127.0	127.8	128.8	125.0	11.1
Converted Products	109.4	114.7	122.7	123.6	124.2	125.8	121.8	6.9
Waste Paper	142.6	181.4	183.9	185.3	185.4	185.5	188.3	4.9
All Commodities	100.2	102.8	107.4	107.8	108.0	108.1	106.4	4.0
Industrial Commodities	100.0	102.6	106.5	106.7	107.1	106.9	105.8	3.7

SOURCE: Producer Price Indexes: Bureau of Labor Statistics, U.S. Department of Labor * Computed by API

PAPER AND PAPERBOARD CAPACITY
1987 AND 1990
(Selected Regions of the World)



Source: FAO Pulp and Paper Survey, 1984 & 1988.

P= Preliminary

WORLD PAPER AND PAPERBOARD CAPACITY OUTLOOK

World capacity to produce paper and paperboard is expected to reach 256.0 million metric tons in 1990, representing an average annual growth rate of 3.6% between 1987 and 1990, according to the 1988 edition of Food and Agricultural Organization's (FAO) survey of World Pulp and Paper capacities. During the previous four-year period (1983-87), the world's paper and paperboard capacity expanded at an average annual rate of 2.9%. The chart on page 10 shows the projected 1990 distribution of world paper and paperboard capacity by major region.

The FAO Survey indicates that the largest percentage gains in paper and paperboard capacity -- 5.9% a year between 1987 and 1990 -- are projected to take place in Asia & Oceania (excluding Japan). The anticipated large gains in paper and paperboard capacity in Asia & Oceania reflect the rapid economic expansion taking place in this part of the world. Other regions expected to show rapid growth are Canada, 5.5% a year, and the Nordic countries, 4.6% a year. Japanese capacity growth is projected to average 3.3% a year between 1987 and 1990, compared with 2.2% a year between 1983 and 1987.

The Survey also identifies printing-writing paper and newsprint as the fastest growing segments of world paper and paperboard capacity between 1987 and 1990. Total world capacity to produce printing-writing paper will expand 5.1% a year from 1987 through 1990, as compared with 3.6% growth for total paper and paperboard capacity. Printing-writing paper capacity is projected to grow especially rapidly in Canada (17% a year between 1987 and 1990) and the Nordic countries (6.4% a year). A large percentage of the capacity additions in both these regions will be export-oriented.

The FAO projects 1987-90 world newsprint capacity growth at 4.4% a year, representing a significant acceleration from the 1.4% average annual rate that prevailed from 1983 through 1987. The major producing regions -- the U.S., Canada, and the Nordic countries -- all showed little or no growth in newsprint capacity during 1983-87. Canada and the Nordic countries are expected to expand their newsprint capacities at average annual rates of 3.2% and 5.3%, respectively, during the 1987-90 period. These growth rates may be on the low side since new projects, particularly in Canada, have been announced since the FAO data were compiled.

World capacity to produce kraft wrapping and packaging papers is projected to rise 0.5% a year during 1987-90, as contrasted with a 4.2% annual rate of decline during 1983-87. The gains are expected to take place in Asia, Latin America, and Africa. The major producing regions (the U.S., Canada, and the Nordic countries) will continue to reduce their kraft wrapping and packaging paper capacity due to competition from plastics.

Growth of world linerboard capacity (kraft and recycled linerboard) is projected by the FAO at 3.1% a year for the 1987-1990 period, which represents only a slight deceleration relative to the

3.2% rate of expansion seen during 1983-87. The fastest growth rates will be in Asia/Oceania -- primarily Korea -- and in Latin America.

World capacity to produce folding boxboard is projected to rise 2.9% a year from 1987 through 1990, versus 3.0% a year during the four year period from 1983 through 1987.

The FAO expects world capacity of paper grade wood pulp to expand at the average annual rate of 2.9% a year between 1987 and 1990, or 0.7 percentage point a year slower than paper and paperboard capacity. This implies that the long-term downward trend in the ratio of pulp to paper and paperboard capacity will continue. The downward trend reflects the increasing use of recycled fiber and of non-fibrous additives, such as coating pigments and fillers.

The most rapidly growing segment of world pulp capacity will continue to be thermomechanical pulp -- largely in the chemi-thermomechanical oulp sector -- which will rise at a 12% average annual rate during 1987-90 and increase its share of total paper grade wood pulp capacity from 8.8% to 11.4%. World chemical paper grade pulp capacity is expected to grow 2.3% a year during 1987-1990, as compared with 2.0% a year during 1983-87.

The API International Department now has a limited number of copies of the 1988 edition of the U.N. Food and Agriculture Organization's annual report on World Pulp and Paper Capacities and companion reports on Estimated Production and Mill Expansions. API members can obtain the three reports from the International Department (212-340-0641) for $20, to cover shipping costs from FAO, Rome.

SUPP.

A 2500-2

INDUSTRY FACT SHEET

AMERICAN PAPER INSTITUTE, INC.
260 Madison Avenue
New York, New York 10016

October 24, 1988

PRODUCTION (000 TONS)

*	(P)	*	*	*	*	% CHANGE
	SEPTEMBER	AUGUST	SEPTEMBER	FIRST NINE MONTHS		YR TO DATE
	1988	1988	1987	1988	1987	1988/1987
PAPER GRADES						
Newsprint	492	509	494	4,470	4,352	2.7
Printing & Writing	1,781	1,901	1,770	16,372	15,452	6.0
Uncoated Groundwood (s)	136	147	125	1,195	1,140	4.8
Coated Paper (s)	595	645	588	5,543	5,083	9.1
Uncoated Free Sheet Paper (s)	929	980	930	8,501	8,146	4.4
Thin Paper (s)	20	19	21	170	187	-9.1
Cotton Fiber Paper (s)	12	13	14	120	123	-2.7
Bleached Bristols (s)	90	99	92	843	773	9.0
Tissue Paper	455	471	447	4,103	3,954	3.8
Total Pkg & Other Paper	439	431	420	3,901	3,785	3.0
Unbl. Kraft Paper (s)	260	251	259	2,278	2,315	-1.6
Other Paper	179	180	161	1,623	1,471	10.4
TOTAL PAPER	3,167	3,312	3,131	28,845	27,543	4.7
PAPERBOARD GRADES						
Unbleached Kraft Paperboard	1,590	1,666	1,609	14,548	14,185	2.6
Unbleached Kraft Linerboard	1,481	1,552	1,519	13,581	13,222	2.7
Other Unbl. Kraft Paperboard	109	114	89	968	963	0.5
Semichemical Paperboard	472	494	469	4,285	4,214	1.7
Bleached Paperboard	355	395	341	3,361	3,317	1.3
Recycled Paperboard	711	730	698	6,619	6,325	4.6
TOTAL PAPERBOARD	3,127	3,284	3,116	28,813	28,041	2.8
TOTAL PAPER AND PAPERBOARD	6,294	6,597	6,247	57,658	55,584	3.7

WOOD PULP (ALL GRADES)	AUGUST	JULY	AUGUST	FIRST EIGHT MONTHS		% Change
	1988	1988	1987	1988	1987	88/87
Dissolving & Special Alpha	119	117	102	895	865	3.4
Bleached Sulfite)	132	131	126	1,030	949	8.4
Unbleached Sulfite)						
Bleached & Semi-Bl. Sulfate	2,299	2,280	2,174	17,535	16,952	3.4
Unbleached Sulfate	1,844	1,830	1,338	14,527	14,257	1.9
Semichemical	371	363	333	2,894	2,829	2.3
Groundwood & Thermomechanical	504	497	486	3,983	3,742	6.5
TOTAL PULP DIVISION DATA	5,269	5,219	5,058	40,864	39,593	3.2

(s) - Shipments
P - Preliminary

OCTOBER 31, 1988

	Full Year		INDUSTRY DATA 1987 - 1988			Ann. Rate Year - To - Date	% From Same Pd. Last Year
				R	P		
PAPER AND PAPERBOARD -- Tons (000)	1986	1987	July	August	September	1988	
Total Production (API).......: excluding :...	70,889	74,433	6,272	6,597	6,294	76,877	3.7
Total Seasonally Adjusted....:construction:...			6,374	6,368	6,361	76,450	3.4
Imports (including Products).: and wet :..E	11,597	12,528	1,048	1,083	1,068	12,836	3.4
Exports (including Products).: machine :..E	4,593	5,197	431	465	440	5,653	8.1
Apparent Consumption.........: grades :...	77,893 a	81,764 b	6,991	6,985	6,989	83,632 c	3.1
Paper Production % Tonnage Capacity...........	93.2 g	94.0	90.5	96.3	95.1	96.0	-
Paperboard Production % Tonnage Capacity......	94.3 g	96.8	95.3	97.4	95.8	97.6	-
			June	July	August		
IMPORTS.....:Including Construction and :...	11,936	12,837	1,078	1,075	1,113	13,146	3.9
EXPORTS.....: WMB Grades (excl. HPB) :...	4,687	5,304	491	440	475	5,836	9.3
			June	July	August		
MARKET WOOD PULP PRODUCTION - Tons (000)........	7,572	8,114	686	728	755	8,452	4.8
TOTAL WOOD PULP PRODUCTION - Tons (000).........	57,005	59,552	4,949	5,219	5,269	61,296	3.2
WOOD PULP IMPORTS - TONS (000)..................	4,582	4,850	415	416	460	5,076	5.2
WOOD PULP EXPORTS - TONS (000)..................	4,458	4,889	497	392	497	5,396	11.6
RAW MATERIALS CONSUMPTION - Tons (000)							
..PAPER AND BOARD MILLS : excluding :			June	July	August		
Wood Pulp.............:consumption for:.....	57,061	59,475	4,931	5,160	5,240	61,104	3.1
Waste Paper...........:construction & :.....	17,285	18,296	1,563	1,526	1,615	18,899	4.7
TOTAL..........: WMB grades :.....	74,345	77,770	6,494	6,685	6,855	80,003	3.5
PULPWOOD CONSUMPTION Cords(000)Amer.Pulpwd. Assn	91,434	93,946	7,689	7,901	7,951	95,315	1.6
EMPLOYMENT (000)			July	August	September		
Paper and Allied Products..........Total......	673.7	679.0	692.6	694.4	692.4	688.4	1.6
Pulp, Paper and Board Mills........Total.....E	248.1	244.9	249.3	248.6	247.5	246.4	0.5
AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS ($)			July	August	September		
Paper and Allied Products......................	11.18	11.42	11.71	11.62	11.72	11.61	1.9
Pulp, Paper Mills..........................E	13.63	14.00	14.39	14.28	14.40	14.22	1.9
Paperboard Mills...........................E	13.98	14.30	14.51	14.49	14.55	14.44	1.4
CAPITAL EXPENDITURES, PAPER & ALLIED PRODUCTS			1988 Q1	1988 Q2	1988 Q3		
(Rept. by US Dept. of Com., Ann. Rates, Bill.$)*	8.77	9.01	9.96	11.09	11.34	11.09 Y	23.1
INDEX OF OUTPUT PER MAN-HOUR (1977=100)..........			July	August	September		
:IN PULP, PAPER :...Production Workers..........	131.2	140.1	142.9	145.9	144.1	144.1	3.4
:AND BOARD MILLS:...All Employees...............	128.6	136.7	139.9	141.9	140.4	140.7	3.5
PAPER AND ALLIED PRODUCTS (Million $)			June	July	August		
Industry Shipments (Dept. of Commerce)*........	103,916	118,855	10,356	10,485	10,550	127,109	9.8
Pulp, Paper and Paperboard*.................	44,033	51,518	4,547	4,703	4,716	57,087	14.6
Inventories (End of Period) - Total Industry*..	10,429	11,284	11,436	11,530	11,601	11,601	5.3
Pulp, Paper and Paperboard*.................	4,115	4,266	3,978	4,038	4,128	4,128	-1.1
			1987 Q4	1988 Q1	1988 Q2		
Sales (Corporations Only)......................	74,844	95,576 RS	25,088	25,504	27,227	105,462	15.2
Earnings (Corporations Only)...................	3,280	5,520 RS	1,495	1,744	2,195	7,878	61.5
Depreciation (Corporations Only)...............	3,389	4,279 RS	1,051	1,169	1,124	4,586	8.2
Net Worth (Corporations Only)..................	31,221	39,217 RS	39,217	40,213	41,621	41,621	13.1
PRICE INDEXES (Bureau of Labor Stats)1982=100			July	August	September		
Pulp, Paper & Products, ex. Building Grades....	107.5	114.3	125.6	126.3	127.6	123.6	9.0
Wood Pulp......................................	94.7	111.6	138.3	141.0	142.3	134.4	22.5
Waste Paper....................................	142.6	181.4	185.3	185.4	185.5	188.2	4.8
Paper..	107.0	111.5	123.6	124.7	125.4	121.7	10.1
Paperboard.....................................	106.5	118.1	134.3	134.5	136.3	132.1	13.3
PAPER DEMAND (INDEXED: 1977=100)			July	August	September		
Total Paper Production *.......................	128.0	133.8	139.1	139.3	139.6	138.6	4.3
Paper New Supply *............................	133.7	140.6	145.0	145.5	145.7	144.9	3.9
Demand Indicators - (Weighted Average) *.....	146.4	154.5	164.1	164.4	164.8	162.1	5.7
Production of Nondurable Goods *...(21.2%).	130.1	136.8	144.4	144.3	144.6	142.7	5.1
Disposable Income ....*.(23.9%)	127.8	130.0	135.2	135.2	135.2	134.2	3.8
Total Printing and Publishing *...(54.9%).	160.9	172.0	184.2	184.8	185.5	181.8	6.5
Trend Factor	-----------	-----------	-----	Not Available	-----------	-----------	-----------
PAPERBOARD DEMAND (INDEXED: 1977=100)							
Total Paperboard Production *.................	121.9	129.1	131.1	130.6	130.1	131.4	2.4
Production for Domestic Use	118.7	126.5	128.7	127.1	128.0	128.5	2.4
Demand Indicators - (Weighted Average) *.....	121.9	125.9	133.2	133.5	133.3	131.4	5.1
Production of Consumer Goods *...(62.06%)	124.1	127.7	134.1	134.6	134.2	132.7	4.3
Production of Equipment *...(5.75%)	143.7	148.8	159.5	160.0	160.4	157.6	6.8
Production of Materials *...(32.19%)	113.8	118.3	126.7	126.6	126.6	124.4	6.4
Trend Factor	-----------	-----------	-----	Not Available	-----------	-----------	-----------
NEWSPRINT MARKETS			June	July	August		
Consumption by Publishers - Tons (000).........	13,158	13,583	1,099	1,067	1,102	13,272	0.9
Newspaper Pub. and Printing Empl. Total(000)...	461	471	479	478	476	477	1.9
PRINTING AND FINE PAPER MARKETS							
MAGAZINE ADVERTISING PAGES (PIB, Inc.)...........	154,317	161,131	12,891	9,451	10,812	152,098	1.2
WHOLESALERS SALES AND INVENTORIES (Million $)							
Total Paper & Pap. Prdcts.,ex Wallpaper..Sales	38,245	44,741	4,496	4,173	4,782	51,218	21.0
Inventories (End of Period).	3,577	3,850	4,138	4,308	4,313	4,313	23.4
FIBRE BOX DATA (Fibre Box Association)			July	August	September		
Fibre Box Shipments (Million square feet).......	283,921	297,827	24,476	27,010	26,059	308,339	3.4
Container'bd Inventory at Mill & Plant(000Tons).	2,238	2,486	2,724	2,732	2,645	2,645	12.5
RETAIL TRADE (Billion $)			July	August	September		
Total Retail Sales *..........................	1,437	1,509	134	134	134	1,589	5.9
Nondurable Goods Stores Sales *...............	899	951	84	84	84	988	4.3
GENERAL ECONOMIC DATA			July	August	September		
TOTAL INDUSTRIAL PRODUCTION (INDEX 1977 = 100)*..	125.1	129.8	138.1	138.3	138.3	136.2	5.9
PRODUCER PRICES(ALL COMMODITIES)(INDEX 1982=100).	100.2	102.8	107.8	108.0	108.1	106.4	4.0
CONSUMER PRICES (ALL ITEMS) (INDEX 1982-4=100)...	109.6	113.6	118.5	119.0	119.8	117.6	4.0
			June	July	August		
TOTAL CONSUMER CREDIT OUTSTANDING - (Billion $)..	586	624	641.2	646.7	654.8	654.8	9.2
GROSS NATIONAL PRODUCT - ANNUAL RATE (Billion$)..			1988 Q1	1988 Q2	1988 Q3		
G.N.P. or Expenditure - Current $..............	4,240	4,527	4,725	4,824	4,900	4,816	7.5
G.N.P. or Expenditure - 1982 $....	3,722	3,847	3,956	3,985	4,007	3,983	4.2

	lb/capita			
	Pap&Papbd	Othr	Totl	Popul(mil)
.a	- 645 +	18 =	663	241.6
.b	- 670 +	17 =	687	243.9
.c	- 681 +	17 =	698	245.5

.E - Last month estimated by API

f - Wood Pulp Production excludes def., explo. & scrngs.
g - Adjusted for holiday shutdowns
Q - Quarter

R - Revised
Y - Full year estim. by U.S. Dept. of Com.
RS - Revised Series
* - Seasonally Adjusted.

A2500-2
12/9/88

Paper
Paperboard
& Wood Pulp

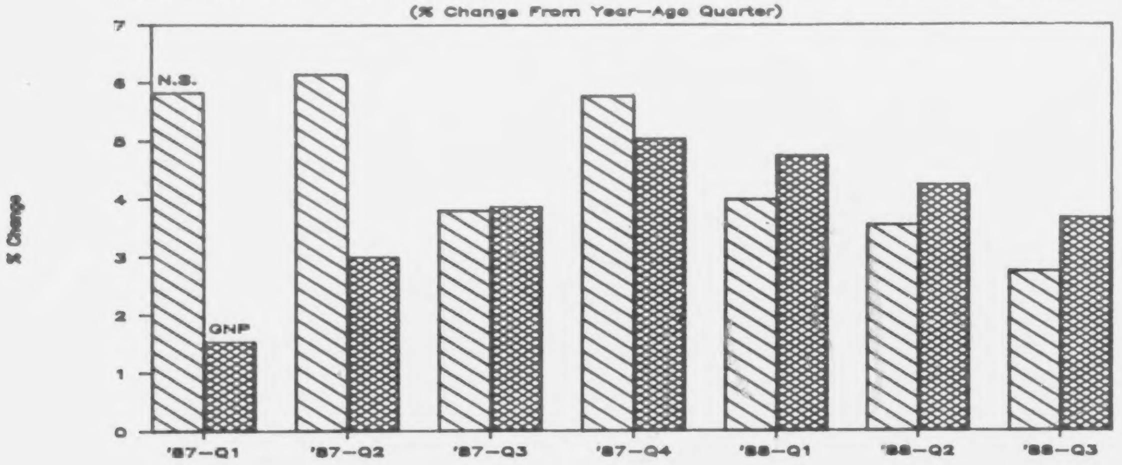
MONTHLY STATISTICAL SUMMARY - Vol. 66 No. 11 NOVEMBER 1988

PAPER AND PAPERBOARD PRODUCTION: HOLDING NEAR RECORD HIGHS

The rate of paper and paperboard production in October continued along the flat trend it has been following all year. The tilt in paper production is slightly upward, at just over 1% per year, but paperboard production has been pointing slightly downward since the middle of the second quarter, easing about 1.6% per year. With ten months data available, these trends appear to be bringing the 1988 paper and paperboard total to a record high, in the range of 76.8-77.0 million tons.

New supply of paper and paperboard (domestic production plus imports less exports) ran at a seasonally adjusted annual rate of 83.8 million tons during the first three quarters of 1988, representing a 3.8% gain over its year-ago volume. However, new supply has also shown little change since the end of 1987. The third quarter 1988 rate, for example, was 0.3% above that of the fourth quarter of 1987.

The chart below compares the quarterly growth in paper and paperboard new supply with that of real GNP for the past seven quarters. This chart highlights the change in the relative growth patterns from 1987 to 1988, showing paper and paperboard new supply growing faster than real GNP in 1987 and more slowly in 1988; a normal pattern as new supply approaches its long-term growth trend. These trends are discussed in more detail in the section on New Supply Patterns on Page 11.



PAPER & PAPERB'D: NEW SUPPLY & REAL GNP

(% Change From Year-Ago Quarter)

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Demand for communication papers -- newsprint and printing-writing papers -- continue to provide the major strength to domestic paper production. Major gains among these grades are in uncoated groundwood papers, coated papers and bleached bristols, with uncoated free sheet paper showing slightly smaller growth. However, production of each of these four grades is pointing to a new high for 1988.

Production of tissue papers, and packaging and industrial papers other than unbleached kraft papers are also moving to new highs. The gain in production of other papers -- 9.1% over its year-earlier total in the January-October period -- was the largest of all the paper and paperboard grades reported, with the strength concentrated in the bleached kraft and specialty packaging grades.

Consistent with these trends, total paper production is moving to a new high, in the neighborhood of 38.5 million tons per year.

The 1988 paperboard production will probably reach a new high, in the 38.3-38.5 million tons range. The trends of unbleached kraft linerboard and semichemical paperboard have been easing downward since early 1988, but those of solid bleached board and recycled paperboard have held fairly steady.

These patterns are reflected in the data on the market groupings of paperboard production presented at the bottom of the table on Page 3. Production of containerboard for domestic use, for example, gained 2.7% from the first ten months of 1987 to the corresponding 1988 period, while production of boxboard for domestic use rose 3.9%. The gain in containerboard production is consistent with the 3.1% increase recorded in shipments of corrugated shipping containers in this same period. Inventories of containerboard at mills and plants declined by 135,000 tons during October, bringing the inventory total down to 5.2 weeks of supply. Containerboard production totals are currently being affected by downtime for normal maintenance and repair at several large mills.

CHEMICAL PAPER GRADE MARKET WOOD PULP

Largely as the result of normal seasonal maintenance downtime, production of chemical paper grade market pulp fell to 550,000 short tons in October, 7.4% below its September total. For the entire January-October 1988 period, however, production averaged 7.06 million tons per year, equivalent to 100% of the reported capacity and 4% above its year-ago level.

U.S. producers' inventories crept up to 15 days of supply as of the end of October, compared to 14 days one year ago and 16 days as of the end of 1986. Inventories of these grades of

Continued on Page 11

PAPER AND PAPERBOARD STATISTICS

PRODUCTION, SHIPMENTS AND ORDERS
(Thousands of Short Tons)

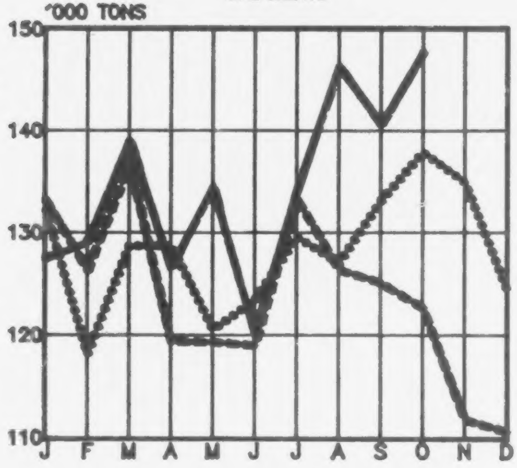
	YEAR 1986	YEAR 1987	JULY 1988 (P)	AUGUST 1988 (P)	SEPTEMBER 1988 (P)	OCTOBER 1988 (P)	Annual Rate Y-T-D 1988	% Change From same Period Last Year
PAPER								
Newsprint - Production	5,630	5,842	481	509	492	507	5,971	2.4
- Shipments	5,638	5,854	475	506	493	508	5,932	1.7
Printing & Writing Sum	19,668	20,780	1,750	1,912	1,822	1,842	21,918	5.8
Groundwood Paper - Shipments	1,540	1,485	134	147	141	148	1,617	6.7
- New Orders	1,553	1,529	131	136	143	146	1,609	4.0
-Unfilled Orders	124	164	177	171	173	172	172	23.5
Coated Papers - Shipments	6,263	6,860	594	648	606	617	7,410	8.6
- New Orders	6,334	7,066	662	641	584	659	7,505	6.1
- Unfilled Orders	469	708	746	756	729	767	767	9.2
Unctd Free Sheet - Shipments	10,410	10,977	906	982	954	953	11,379	4.1
- New Orders	10,485	11,184	909	954	924	946	11,402	2.3
- Unfilled Orders	587	773	818	806	778	762	762	5.4
Thin Papers - Shipments	271	251	14	19	16	17	221	-11.3
Cotton Fiber Paper - Shipments	152	163	12	13	13	14	162	-1.8
Bleached Bristols - Production	1,033	1,044	91	103	92	93	1,130	8.7
Tissue Paper - Production	5,095	5,301	452	471	456	470	5,488	3.7
Total Packaging & Other Paper	5,117	5,072	408	432	441	435	5,207	2.8
Unbl. Kraft Paper - Shipments	3,303	3,079	240	250	261	248	3,033	-1.8
Other Paper - Production	1,814	1,993	168	182	180	187	2,174	10.0
TOTAL PAPER-Production-Unadj.	35,510	36,994	3,090	3,323	3,210	3,254	38,585	4.5
-Production-S.A.			3,211	3,216	3,220	3,225	38,433	4.2
PAPERBOARD - PRODUCTION								
Solid Wood Pulp Furnish	27,336	28,944	2,488	2,555	2,417	2,435	29,554	2.1
Total Unbl. Kraft Puperboard	17,689	18,913	1,619	1,666	1,590	1,582	19,356	2.4
Unbl. Kraft Linerboard (1)	16,402	17,682	1,511	1,552	1,481	1,489	18,084	2.4
Production for Export	2,246	2,318	191	203	185	192	2,386	1.2
Other Unbl. Kraft Paperboard	1,287	1,232	108	114	109	93	1,272	2.0
Semichemical Paperboard	5,376	5,600	480	494	472	472	5,707	1.4
Production for Export	213	189	10	14	11	12	134	-31.6
Solid Bleached Paperboard	4,222	4,420	389	395	355	381	4,491	1.6
Production for Export	569	619	46	55	47	51	603	-3.1
Recycled Paperboard	8,092	8,506	694	730	711	776	8,873	4.3
Production for Export	70	75	6	6	3	2	66	-4.8
TOTAL PAPERBOARD-Prod.-Unadj.	35,379	37,439	3,181	3,284	3,127	3,210	38,427	2.6
- Containerboard Prod.(Dom. Use)	21,426	23,016	1,985	2,003	1,948	1,966	23,604	2.7
- Boxboard Prod.(Dom. Use) (2)	5,863	6,026	518	539	498	529	6,252	3.9
- All Other P'bd Prod.(D.U.) (2)	4,992	5,196	425	463	435	458	5,383	3.4
- Total Paperbd Prod. for Export	3,097	3,201	254	279	247	257	3,189	-1.7
TOTAL PAPERBOARD PROD.- S.A.			3,177	3,164	3,151	3,137	38,099	2.3
TOTAL PAPER AND PAPERBOARD								
Production - Unadj. (R)	70,889	74,433	6,271	6,608	6,337	6,465	77,012	3.6
Production - S.A.			6,388	6,380	6,371	6,363	76,533	3.2

(1) Includes all exports of kraft paperboard. R - Revised P - Preliminary S.A. - Seasonally Adjusted

(2) Data for unbl. kraft folding boxboard incl. in All Other P'bd.

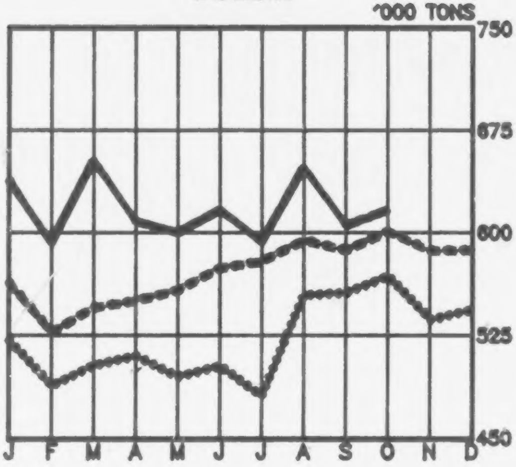
GROUNDWOOD PAPER, UNCOATED

SHIPMENTS



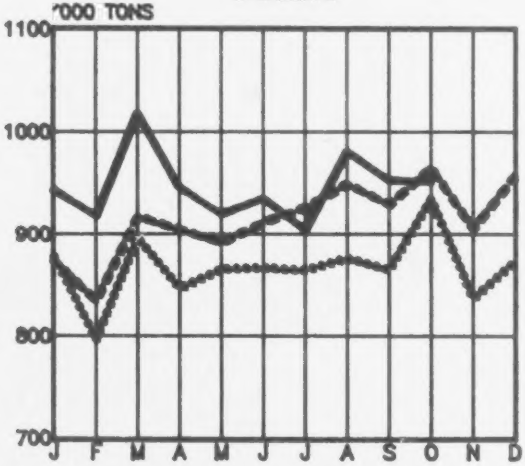
COATED PAPER

SHIPMENTS



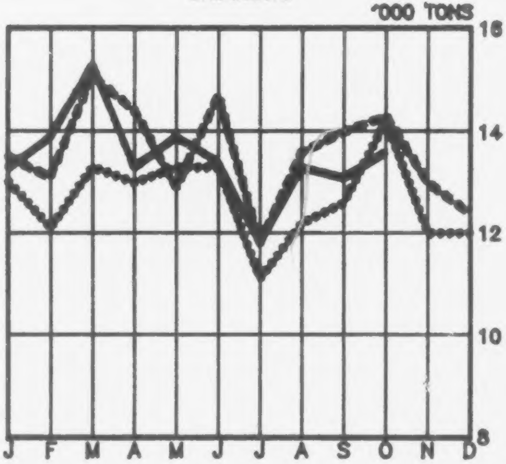
UNCOATED FREE SHEET PAPERS

SHIPMENTS



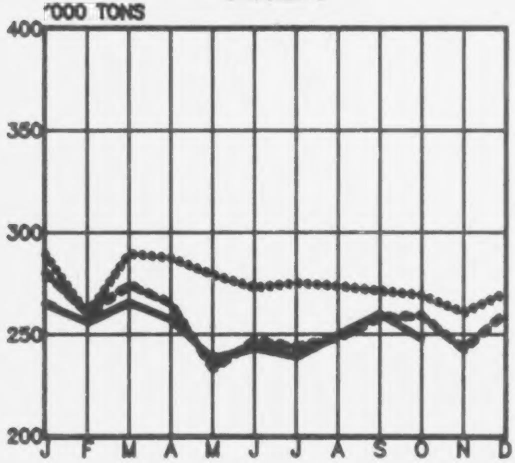
COTTON FIBER PAPER

SHIPMENTS



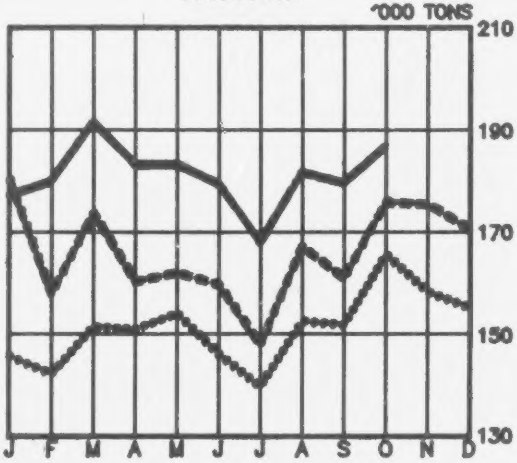
UNBLEACHED KRAFT PACKAGING AND INDUSTRIAL CONVERTING PAPER

SHIPMENTS



OTHER PAPER

PRODUCTION



1986 ········ 1987 ━ ━ ━ 1988 ━━━━

WOOD PULP STATISTICS
(Thousands of Tons)

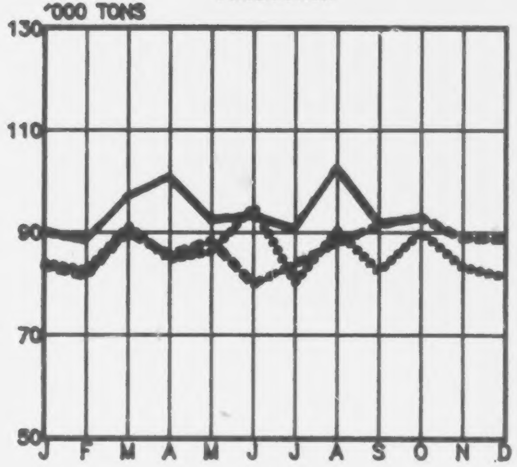
		YEAR 1986	YEAR 1987	JUNE 1988	JULY 1988	AUGUST 1988	SEPTEMBER 1988	Annual Rate Y-T-D 1988	% Change from same Period Last Year
TOTAL WOOD PULP						R	P		
Total Wood Pulp	- Production	57,005	59,552	4,949	5,219	5,265	5,006	61,154	3.0
	- Imports	4,582	4,850	415	416	460	379	5,018	3.2
	- Exports	4,458	4,889	497	392	497	518	5,487	12.3
	- New Supply	57,129	59,513	4,867	5,243	5,227	4,867	60,685	2.3
Dissolving Pulp	- Production	1,258	1,312	117	117	119	135	1,373	5.3
	- Imports	255	198	19	11	24	19	237	10.0
	- Exports	711	752	101	56	63	81	839	11.2
	- New Supply	801	757	36	72	81	73	771	0.8
Paper Grades Chemical Pulp	- Production	46,081	48,293	4,003	4,241	4,272	4,045	49,511	2.8
	- Imports	4,220	4,456	362	375	404	338	4,420	-1.3
	- Exports	3,689	4,111	395	331	431	434	4,600	11.9
	- New Supply	46,612	48,637	3,971	4,284	4,244	3,949	49,330	1.7
Groundwood and Thermo-Mech.	- Production	5,476	5,702	480	497	504	473	5,942	4.9
	- Imports	108	197	33	30	32	21	361	109.2
	- Exports	59	26	1	4	3	3	47	101.0
	- New Supply	5,525	5,872	512	523	532	492	6,256	7.6
Semi-Chemical	- Production	4,191	4,246	349	363	371	353	4,329	1.9
	- Imports								
	- Exports								
	- New Supply	4,191	4,246	349	363	371	353	4,329	1.9
MARKET WOOD PULP									
Total Market Wood Pulp	- Production	7,572	8,114	686	728	755	727	8,482	5.1
	- Imports	3,122	3,235	288	291	325	281	3,466	7.7
	- Exports	4,470	4,820	456	382	442	420	4,947	3.4
	- New Supply	6,224	6,529	518	636	638	588	7,001	7.6
Dissolving Pulp	- Production	1,251	1,308	117	117	119	135	1,370	5.5
	- Imports	212	154	18	11	22	18	209	27.5
	- Exports	718	775	79	48	63	93	789	1.2
	- New Supply	745	687	56	79	77	59	790	15.6
Paper Grades Chemical Pulp	- Production	6,315	6,806	570	611	636	593	7,112	5.0
	- Imports	2,831	2,975	258	267	294	254	3,098	4.8
	- Exports	3,752	4,045	378	334	379	327	4,158	3.8
	- New Supply	5,394	5,736	450	544	551	520	6,052	5.7
Groundwood Pulp and All Other	- Production	5	0	0	0	0	0	0	0
	- Imports RS	79	106	12	13	10	9	159	61.7
	- Exports	0	0	(0)	(0)	0	0	(0)	0.0
	- New Supply	85	106	12	13	10	9	159	62.1

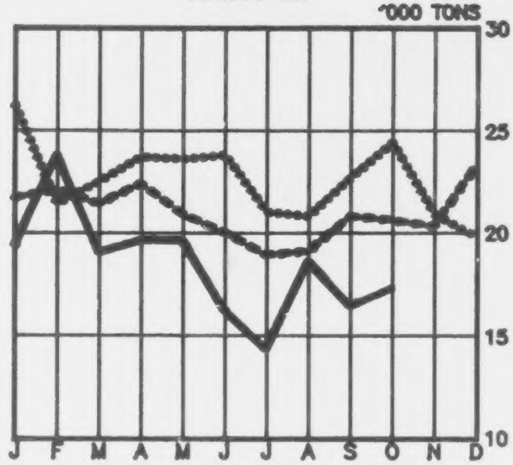
SOURCES: Total Wood Pulp Production & Market Wood Pulp Production, Imports & Exports - Pulp Division, Pulp, Materials and Technology Group, API. Total Wood Pulp Imports & Exports - Department of Commerce.

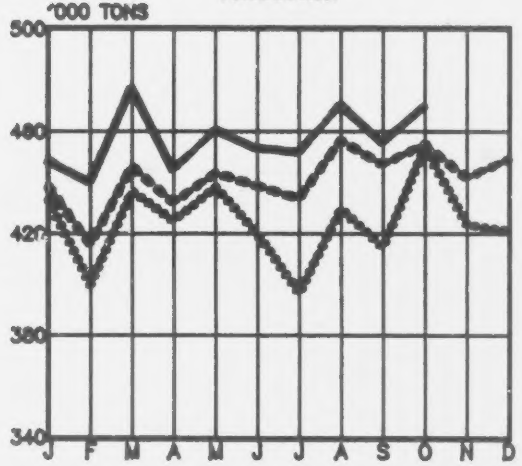
FIBROUS RAW MATERIALS
(Thousands of tons)

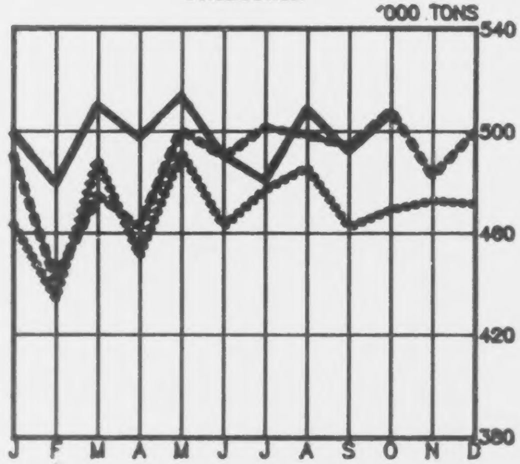
	YEAR 1986	YEAR 1987	JUNE 1988	JULY 1988	AUGUST 1988	SEPTEMBER 1988	Annual Rate Y-T-D 1988	% Change from same Period Last Year
CONSUMPTION AT PAPER & PAPERBOARD MILLS					R	P		
Total	74,345	77,770	6,496	6,685	6,846	6,464	79,714	2.9
Total Wood Pulp	57,061	59,474	4,931	5,160	5,236	4,927	60,879	2.7
Waste Paper	17,285	18,296	1,565	1,525	1,610	1,537	18,836	3.5
INVENTORIES								
Chemical Paper Grade Market Pulp								
Producers' Own-Use Inventories	174	170	175	194	199	198	198	18.9
Producers' Market Inventories	284	224	193	236	247	272	272	-0.2
Consumers' Purchased Inventories #	496	529	534	548	634	628	628	12.0
Waste Paper at Paper & Bd. Mills	838	920	908	905	970	1,066	1,066	23.0
Days of Supply at Pulp Mills of Chemical Paper Grade Mkt Pulp	16	12	10	12	13	14	14	0.0

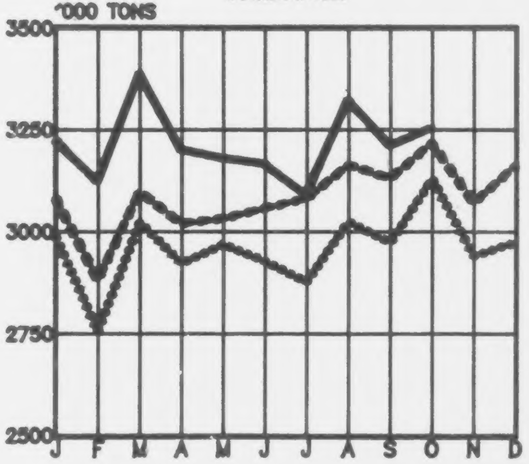
SOURCES: Wood Pulp Data, Pulp Division, Pulp, Materials and Technology Group, API. Waste Paper Data, Paper Recycling Committee, API. # Includes all grades of wood pulp.
P - Preliminary; R - Revised; (0) - Indicates zero to five-hundred short tons RS - 1988 Revised Series

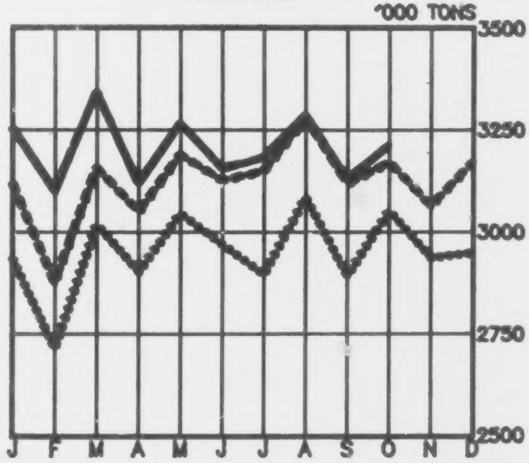

BLEACHED BRISTOLS
PRODUCTION


THIN PAPER
PRODUCTION


TISSUE PAPER
PRODUCTION


NEWSPRINT
PRODUCTION


TOTAL PAPER
PRODUCTION


TOTAL PAPERBOARD
PRODUCTION

1986 ········ 1987 - - - - - 1988 ———

FIBROUS RAW MATERIALS
(Thousands of Standard (128 cubic foot) Cords)

		YEAR 1986	YEAR 1987	JUNE 1988	JULY 1988	AUGUST 1988	SEPTEMBER 1988	Annual Rate Y-T-D 1988	% Change From Same Period Last Year
PULPWOOD									
Total U.S.	- Total Receipts	90,943	94,312	7,766	7,652	8,007	8,080	94,711	0.5
	- Total Consumpt	91,434	93,946	7,689	7,901	7,951	7,956	95,332	1.6
	- Residues *	32,755	32,899	2,603	2,697	2,769	2,723	32,980	0.9
	- Inventories	4,794	5,096	4,507	4,232	4,325	4,484	4,484	-11.1
So. Atlantic	- Total Receipts	29,513	31,147	2,489	2,541	2,653	2,688	31,157	0.7
	- Total Consumpt	29,425	30,915	2,512	2,613	2,652	2,686	31,421	1.8
	- Residues *	9,343	9,553	683	800	795	799	9,703	4.0
	- Inventories	994	1,211	1,033	980	997	1,048	1,048	-5.9
Northeast	- Total Receipts	7,277	6,941	630	569	623	622	7,033	0.7
	- Total Consumpt	7,227	7,109	582	578	599	549	7,280	1.6
	- Residues *	1,419	1,543	141	107	150	138	1,625	5.8
	- Inventories	484	594	445	430	429	482	482	-6.2
South Central	- Total Receipts	31,790	33,650	2,789	2,632	2,835	2,914	33,464	-0.2
	- Total Consumpt	32,113	33,059	2,748	2,742	2,789	2,876	33,532	1.8
	- Residues *	9,792	9,992	841	815	830	816	9,837	-2.3
	- Inventories	926	1,294	1,068	937	987	1,030	1,030	-12.7
North Central	- Total Receipts	6,571	6,552	586	557	556	545	6,959	7.4
	- Total Consumpt	6,730	6,764	582	566	565	519	6,973	4.0
	- Residues *	1,042	1,263	118	107	118	116	1,384	25.2
	- Inventories	892	830	806	802	803	825	825	-3.7
West	- Total Receipts	15,792	16,022	1,272	1,353	1,340	1,311	16,097	-1.0
	- Total Consumpt	15,939	16,099	1,265	1,402	1,346	1,326	16,125	-0.5
	- Residues *	11,159	10,548	820	868	876	854	10,431	-2.1
	- Inventories	1,498	1,167	1,155	1,083	1,109	1,099	1,099	-20.3

* - Consumption of Residues in Cord Equivalents. SOURCE: American Pulpwood Association 17-Nov-88

UNITED STATES TRADE WITH CANADA

IMPORTS FROM CANADA

	YEAR 1987 Tons	YEAR 1987 ($000's)	AUGUST 1988 Tons	AUGUST 1988 ($000)	SEPTEMBER 1988 Tons	SEPTEMBER 1988 ($000)	Annual Rate Y-T-D 1988 Tons	% Change From same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	15,382	1,736	6,860	601	8,278	696	47,271	530.4
Pulpwood chips	487,147	15,250	68,802	3,011	84,058	4,489	859,384	100.3
Wood Pulp, Total	4,320,114	1,842,019	385,265	209,860	308,546	170,333	4,288,071	-0.7
Waste Fibrous Materials, Total	186,286	36,423	16,960	3,502	20,552	4,046	239,996	31.2
Paper, Board & Products, Total	10,588,047	5,093,903	900,118	496,135	896,810	497,877	10,768,295	1.3
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	10,441,472	4,845,663	888,572	474,169	883,557	474,047	10,622,356	1.3
Paper, Paperboard & Products	10,365,412	5,027,943	878,792	489,512	874,010	491,370	10,553,639	1.5
Paper & Paperboard, Only	10,218,838	4,779,702	867,246	467,546	860,756	467,540	10,407,700	1.5
Paper, Total	9,961,198	4,698,148	842,038	458,235	841,500	460,580	10,143,819	1.5
Newsprint	8,588,309	3,956,147	702,811	371,649	701,020	372,784	8,530,795	-1.3
Printing, Writing & Rel. Pap.	1,111,641	601,978	113,520	70,913	113,949	71,617	1,320,173	20.8
Pack. & Ind. Conv. Paper	215,514	102,986	20,975	11,261	21,742	11,507	237,939	8.1
Special Industrial Paper	5,478	9,844	384	778	463	966	4,651	-15.2
Tissue Paper	40,257	27,194	4,349	3,635	4,326	3,705	50,261	28.7
Paperboard, Total	257,639	81,554	25,207	9,311	19,256	6,961	263,881	3.6
Convtd Paper&Paperbd Products	146,575	248,241	11,546	21,965	13,254	23,830	145,939	-0.1
Wet Machine Board	2,890	1,977	265	190	293	202	3,060	5.2
Construction Paper & Board	219,744	63,983	21,062	6,433	22,507	6,306	211,596	-9.0

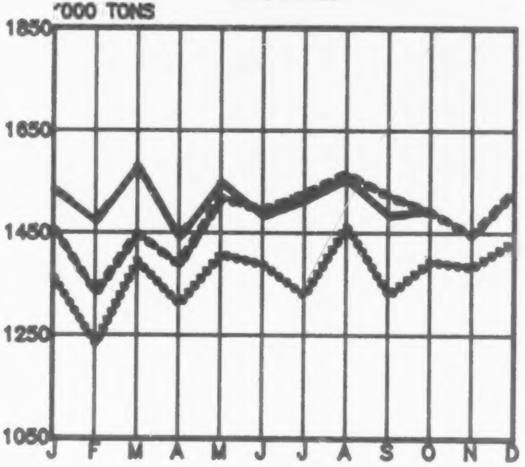
EXPORTS TO CANADA

	YEAR 1987 Tons	YEAR 1987 ($000's)	AUGUST 1988 Tons	AUGUST 1988 ($000)	SEPTEMBER 1988 Tons	SEPTEMBER 1988 ($000)	Annual Rate Y-T-D 1988 Tons	% Change From same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	12,617	770	1,259	88	904	60	13,163	58.2
Pulpwood chips	61,575	4,014	3,626	166	1,673	64	40,627	-43.3
Wood Pulp, Total	198,921	75,956	26,514	8,777	29,411	9,766	276,445	30.1
Cotton Pulp & Other Pulp	58,288	14,775	5,607	1,733	4,404	1,384	77,955	39.0
Waste Paper	286,898	30,592	42,696	4,977	30,662	3,712	338,864	23.1
Paper, Board & Products, Total	957,434	598,429	88,485	65,478	88,190	62,588	1,229,817	30.1
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	712,494	398,256	66,278	41,575	65,155	41,039	946,673	35.5
Paper, Paperboard & Products	920,755	581,481	84,823	63,805	84,469	60,883	1,194,412	31.3
Paper & Paperboard, Only	675,815	381,308	62,616	39,902	61,433	39,333	911,267	37.5
Paper, Total	297,585	250,807	28,578	26,299	28,302	26,582	349,540	18.5
Newsprint	4,525	3,728	462	417	1,226	1,159	5,281	7.5
Printing, Writing & Rel. Pap.	151,716	125,667	15,392	15,677	13,505	13,538	172,586	17.9
Pack. & Ind. Conv. Paper	25,826	17,841	3,283	2,841	4,122	2,995	40,360	64.9
Special Industrial Paper	110,107	97,080	8,229	6,516	8,588	8,051	124,406	9.7
Tissue Paper	5,411	6,490	1,212	847	861	839	6,906	21.6
Paperboard, Total	378,230	130,501	34,039	13,604	33,132	12,752	561,728	52.8
Convtd Paper&Paperbd Products	244,940	200,173	22,206	23,903	23,036	21,549	283,145	14.7
Wet Machine Board	10,212	4,828	573	222	522	201	7,058	-33.2
Construction Paper & Board	26,467	12,120	3,089	1,451	3,200	1,505	28,347	10.8

SOURCE: Bureau of Census, Department of Commerce E - Estimate of tonnage based on square foot data 17-Nov-88

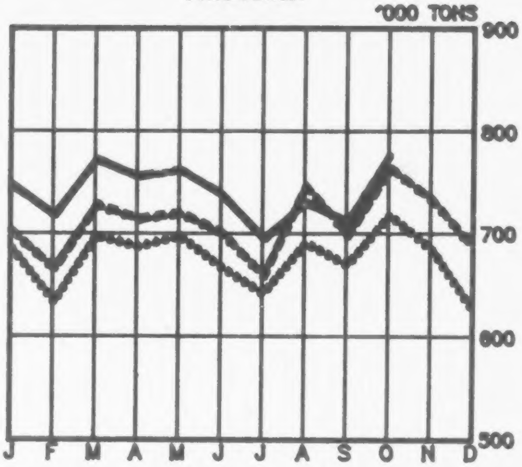
UNBLEACHED KRAFT LINERBOARD

PRODUCTION



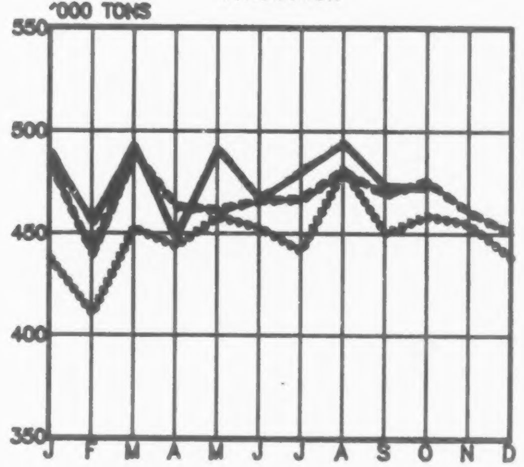
RECYCLED PAPERBOARD

PRODUCTION



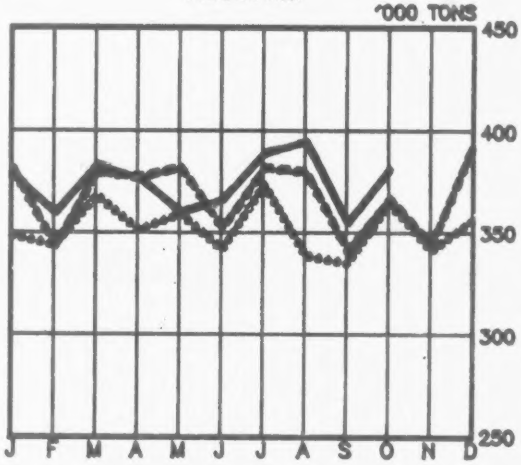
SEMICHEMICAL PAPERBOARD

PRODUCTION



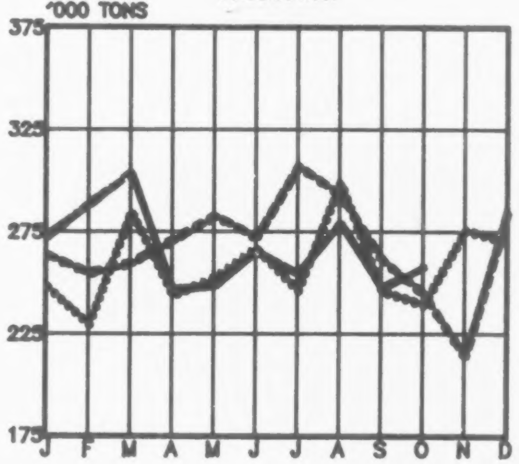
SOLID BLEACHED PAPERBOARD

PRODUCTION



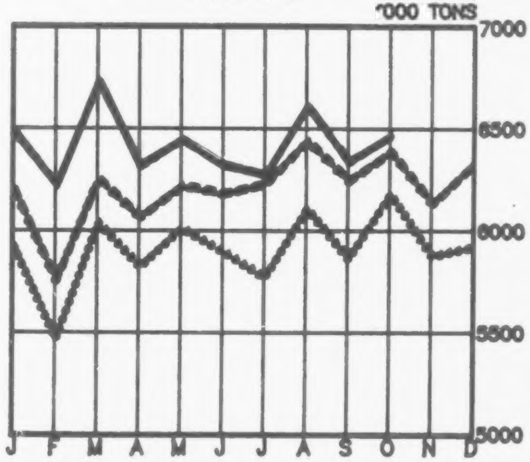
PAPERBOARD FOR EXPORT

PRODUCTION



TOTAL PAPER AND PAPERBOARD

PRODUCTION



1986 ········ 1987 ●●●●● 1988 ▬

IMPORTS

	YEAR 1987 Tons	1987 $000	1988 AUGUST Tons	1988 AUGUST $000	1988 SEPTEMBER Tons	1988 SEPTEMBER $000	(1) Annual Rate YTD 1988 Tons	% Change from same Period Last Year
* * * *	* *	*	*	* *	*			
Pulpwood Roundwood (cords)	15,432	1,746	6,860	601	8,278	696	47,273	524.9
Pulpwood Chips	525,629	15,476	69,150	3,031	85,297	4,538	874,356	83.8
Total All Imports	17,891,172	9,043,600	1,591,798	947,384	1,542,794	925,678	18,487,296	3.9
Wood Pulp Total	4,850,238	2,069,389	459,845	254,540	378,709	211,695	5,017,515	3.1
Waste Paper	127,398	19,231	12,112	2,000	15,601	2,461	168,868	41.7
Other Fibrous Materials	76,491	27,287	7,047	2,295	6,900	2,475	93,642	14.2
Paper Board & Products Total	12,837,046	6,927,693	1,112,794	688,550	1,141,504	709,046	13,207,272	3.7
Paper Paperboard Wet Machine Bd. & Construction Paper & Board	12,435,486	5,995,122	1,073,106	597,439	1,104,777	623,325	12,787,463	3.7
Paper Ppbd & Prds ex Cnst&WMB	12,527,598	6,828,736	1,082,510	678,165	1,108,327	698,046	12,889,620	3.9
Paper & Paperboard Only	12,126,039	5,896,165	1,042,822	587,053	1,071,601	612,325	12,469,812	3.9
Paper Total	11,765,208	5,768,703	1,010,947	574,835	1,046,060	602,523	12,131,310	4.3
Newsprint	8,986,548	4,121,327	730,629	385,010	742,099	391,941	8,856,163	-1.6
Printing & Writing	2,410,216	1,412,458	237,934	163,769	266,875	184,749	2,861,732	26.5
Uncoated Groundwood	1,269,774	654,767	116,803	68,616	125,006	75,797	1,425,357	19.3
Coated Print.& Impreg. Pap.	674,531	467,865	72,741	59,746	83,896	68,564	810,957	28.9
Uncoated Free Sheet	417,395	249,943	44,290	31,857	50,358	35,003	561,155	44.9
Uncoated Book	210,624	119,775	20,713	14,385	28,201	18,754	251,951	17.9
Writing and Similar Paper	206,771	130,168	23,578	17,472	22,157	16,249	309,204	78.1
Thin (except Cigarette)	47,567	38,831	3,723	3,377	5,852	4,646	58,864	18.2
Bristols	950	1,052	377	172	1,764	739	5,398	553.7
Total Pkg & Other Paper	310,324	191,620	37,887	22,140	32,689	21,933	348,919	11.3
Unbleached Kraft Paper	168,420	69,828	16,013	7,264	15,327	7,430	170,709	-0.1
Other Pkg. & Indust. Paper	141,904	121,792	21,875	14,876	17,362	14,503	178,209	24.9
Tissue	58,121	43,299	4,497	3,916	4,397	3,900	64,497	17.3
Paperboard, Total	360,831	127,461	31,875	12,219	25,541	9,802	338,502	-7.9
Test or Containerboard	80,981	29,352	9,267	3,886	7,549	3,036	79,883	1.2
Semi-Chemical Corrugating	128,636	33,898	12,845	4,070	10,398	3,353	147,181	17.3
Other Paperboard	151,214	64,211	9,763	4,263	7,593	3,413	111,438	-31.7
Convtd Paper&Paperbd Products	401,559	932,571	39,688	91,111	36,726	85,721	419,808	3.5
Paper Products, Total	368,179	866,121	36,363	84,040	34,030	80,701	383,125	3.2
Paperboard Products, Total	33,380	66,450	3,325	7,071	2,696	5,020	36,683	7.1
Wet machine Board	3,463	2,638	390	320	461	412	4,423	27.6
Construction Paper & Board	305,985	96,320	29,895	10,065	32,716	10,588	313,229	-2.9
Notes								
Other: No Weight Avail. ($000)		201,453		15,755		15,304	178,970	-13.6
Total Imports Incl. Other($000)		9,245,053		963,139		940,982	10,836,236	19.6

EXPORTS

							(1)	
Pulpwood, Roundwood (cords)	16,178	913	1,259	88	904	60	14,285	31.9
Pulpwood Chips	2,546,467	188,459	255,899	22,455	379,162	32,555	3,342,233	36.0
Total All Exports	14,797,437	6,007,818	1,459,503	662,107	1,518,279	688,357	16,942,393	16.1
Wood Pulp,Total	4,889,331	2,259,377	497,420	270,663	517,617	277,926	5,486,780	12.3
Cotton Pulp and Other Pulp	182,001	91,365	12,475	7,325	13,853	9,113	198,184	8.6
Waste and Old Paper	4,422,139	553,348	474,312	58,182	466,945	57,181	5,508,909	31.4
Paper, Board & Products,Total	5,303,966	3,103,728	475,296	325,937	519,864	344,136	5,748,520	7.8
Paper,Paperboard,Wet Machine Bd. & Construction Paper & Board	4,578,770	2,280,329	403,667	230,802	452,294	249,518	4,929,581	6.8
Paper, Ppbd & Prod ex Cnst&WMB	5,196,613	3,044,506	464,586	320,186	509,220	338,866	5,613,883	7.3
Paper & Paperboard, Only	4,471,418	2,221,107	392,957	225,051	441,651	244,247	4,794,944	6.3
Paper, Total	921,397	776,181	90,841	86,510	103,016	91,912	1,075,757	18.0
Newsprint	339,773	210,093	35,704	24,842	48,831	32,031	389,094	13.7
Printing & Writing	249,092	242,639	25,036	29,023	22,341	26,784	284,353	17.5
Uncoated Groundwood	55,841	39,750	4,952	4,801	5,843	5,327	65,559	23.8
Clay Coated Paper	100,839	72,145	9,163	7,682	6,883	6,235	100,998	3.9
Uncoated Free Sheet	67,858	99,330	8,174	12,623	6,870	10,897	83,141	26.9
Other Printing & Writing	24,554	31,414	2,748	3,917	2,74	4,325	34,655	31.7
Total Pkg. & Other Paper	294,201	292,659	26,303	28,622	29,232	30,207	347,760	19.3
Unbleached Kraft	89,194	40,758	8,465	4,788	11,576	5,879	104,835	22.7
Other Pkg. & Indust. Paper	205,007	251,901	17,838	23,834	17,656	24,328	242,926	17.9
Tissue	38,332	30,790	3,798	4,022	2,613	2,890	54,550	50.8
Paperboard, Total	3,550,021	1,444,526	302,116	138,541	338,635	152,336	3,719,187	3.4
Solid Wood Pulp	3,218,952	1,321,618	277,353	126,687	317,122	141,513	3,428,297	4.8
Total Linerboard	2,296,633	812,161	185,770	72,340	223,940	88,938	2,323,732	-0.9
Bleached Kraft Linerboard	102,266	46,429	5,387	3,353	10,644	5,891	131,642	49.7
Unbleached Kraft Linerbd	2,194,367	765,731	180,383	68,988	213,295	83,047	2,192,090	-2.8
Other Unbleached Kraft	210,566	78,596	23,755	7,842	27,271	9,723	330,363	49.6
Other Bleached Kraft	647,803	407,923	63,430	44,481	64,816	42,200	730,093	14.5
Semi-Chemical Corrugating	63,951	22,938	4,398	2,024	1,096	653	44,109	-37.0
Recycled Paperboard	331,069	123,308	24,763	11,854	21,512	10,822	290,891	-10.7
Convtd Paper&Paperbd Products	725,196	823,399	71,629	95,135	67,569	94,618	818,939	13.7
Paper Products, Total	301,202	540,681	34,216	63,563	32,069	62,216	362,712	20.9
Paperboard Products, Total	423,994	282,718	37,413	31,572	35,500	32,402	456,227	8.5
Wet Machine Board	17,328	7,816	864	348	91	394	12,041	-33.9
Construction Paper & Board E	90,024	51,405	9,846	5,403	9,733	4,877	122,595	42.5
Notes								
Other: No Weight Avail. ($000)		8,037		909		700	9,041	13.9
Total Exports Incl. Other($000)		6,015,855		663,016		689,057	7,421,707	24.9

SOURCE: Bureau of Census, U.S. Department of Commerce. E - Incl. estim. of tonnage based on square foot data.
(1) Annual Rate Year-To-Date is in tons unless otherwise specified in item description.

PRODUCER PRICE INDEXES

1982 = 100

	1986	1987	JULY 1988	AUGUST 1988	SEPTEMBER 1988	OCTOBER 1988	Annual Rate Y-T-D 1988	% Change from same Period Last Year
Pulp, Paper and Products except Building Grades	107.5	114.3	125.6	126.3	127.6	128.2	124.1	9.1
Pulp Paper & Products, ex. Building Grades & ex Waste Paper *	106.9	113.2	124.6	125.3	126.6	127.3	123.0	9.2
Total Wood Pulp	94.7	111.5	138.3	141.0	142.3	145.2	135.0	22.4
Total Paper	107.0	111.5	123.6	124.7	125.4	127.0	122.3	10.3
Total Paper, exc. Newsprint	107.9	110.6	123.9	125.4	126.1	128.6	122.2	11.3
Newsprint	103.3	112.3	127.4	127.3	127.3	127.3	127.6	14.6
Total Paperboard	106.5	118.1	134.3	134.5	136.3	136.5	132.6	13.1
Total Paper and Paperboard *	106.8	113.6	127.0	127.8	128.8	130.0	125.5	11.2
Converted Products	109.4	114.7	123.6	124.2	125.8	126.1	122.2	7.0
Waste Paper	142.6	181.4	185.3	185.4	185.5	179.2	187.5	4.0
All Commodities	100.2	102.8	107.8	108.0	108.1	108.2	106.6	4.0
Industrial Commodities	100.0	102.6	106.7	107.1	106.9	107.1	106.0	3.6

SOURCE: Producer Price Indexes: Bureau of Labor Statistics, U.S. Department of Labor * Computed by API

PAPER & PAPERBOARD NEW SUPPLY

Seasonally Adjusted
(Thousands of Short Tons)

	1987 Q 1	Q 2	Q 3	Q 4	1988 Q 1	Q 2	Q 3
Newsprint	3,222.9	3,441.1	3,511.3	3,564.8	3,439.4	3,414.3	3,412.9
Total Printing & Writing	5,627.3	5,710.6	6,044.8	6,102.4	6,145.5	6,164.5	6,340.8
Uncoated Groundwood	799.9	773.1	784.8	812.1	827.1	862.0	859.9
Coated Papers	1,738.4	1,800.2	1,957.8	1,951.0	1,978.4	2,007.4	2,092.1
Uncoated Free Sheet	2,716.1	2,772.7	2,913.2	2,954.1	2,962.3	2,909.8	2,993.0
Bleached Bristols	259.0	257.5	280.3	276.9	270.6	284.2	298.3
Cotton Fiber	41.0	40.2	41.1	41.0	40.9	38.9	40.2
Thin Papers	72.9	66.8	67.7	67.4	66.3	62.3	57.4
Total Packaging & Other	1,307.6	1,249.5	1,227.5	1,324.1	1,294.1	1,302.8	1,291.0
Unbleached Kraft	815.4	791.7	765.0	792.7	784.2	779.7	758.3
Other Paper	492.2	457.8	462.6	531.5	509.8	523.1	532.7
Tissue	1,314.6	1,322.8	1,352.9	1,341.0	1,376.9	1,355.6	1,401.2
Total Unbleached Kraft	4,016.7	4,139.1	4,236.0	4,347.6	4,264.2	4,192.7	4,247.3
Unbl. Kr. Linerboard	3,698.6	3,819.7	3,920.5	4,068.5	3,933.4	3,893.5	3,916.9
Other Unbl. Kraft Pbd.	318.1	319.4	315.6	279.2	330.9	299.2	330.5
Semichemical	1,386.5	1,351.4	1,389.2	1,413.0	1,431.3	1,408.1	1,424.7
Solid Bleached	929.1	958.7	975.3	993.9	946.0	943.4	997.6
Recycled	2,092.5	2,126.3	2,159.8	2,224.5	2,206.4	2,221.9	2,193.2

market pulp held by all North American and Nordic producers have moved along a flat trend throughout this period, with the current level no higher than it was two years ago.

There was some increase in inventories of market pulp held by U.S. consumers during August 1988, when the total rose from a July level of 548,000 tons to 634,000 tons, but inventories then eased downward to 628,000 tons in September. At that level inventories were equivalent to 37 days of supply, compared to 35 days of supply one year earlier and 30 days as of the end of January 1987.

In the first ten months of this year shipments of these pulps to the export market accounted for 59% of the total. Western Europe continues to be the largest customer, accounting for 40% of the export total. Japan took 23%; the Asian/African countries a total of 21%; the Latin American countries 11%. The remaining 5% was distributed to Canada, the Nordic countries, Oceania plus about 2,000 tons to Eastern Europe.

NEW SUPPLY PATTERNS

U.S. new supply of paper and paperboard outpaced real Gross National Product during 1986 and 1987, but is running behind real GNP growth this year. (See graph on page 1.) In particular, new supply of paper and paperboard rose by about 5% a year in 1986 and 1987, while real GNP registered gains of 2.8% and 3.4%, respectively. During the first three quarters of 1988, real GNP exceeded its year-ago rate by 4.2%, although it advanced at a rate of only 2.9% per year between the final quarter of 1987 and the third quarter of 1988. The slower growth of new paper and paperboard supply relative to real GNP suggests that customer market inventories are, on balance, being drawn down as users bring their inventories in line with current usage. This type of correction has positive implications for the future in that it reduces the likelihood of an inventory cycle.

New supply of paper was 4.5% above its year-earlier level during the first three quarters of 1988, but advanced at a rate of only 1.2% per year since the fourth quarter of 1987. The strongest gains among the paper grades were in the printing-writing paper category. New supply of printing-writing papers was up 7.3% from its year-ago level during the first three quarters of 1988 but increased by only 3.9% from the fourth quarter of 1987 to the third quarter of 1988. Domestic production of printing-writing papers increased 6% from the first three quarters of 1987 to the corresponding 1988 period, while import growth amounted to 19.5%.

Among the individual printing-writing paper grades, coated papers have registered the strongest new supply growth so far this year: up 10.6% during the first three quarters of this year and 7.2% since the final quarter of 1987. Coated paper imports were up 28.9% during the first eight months of 1988, and accounted for 9.9% of new supply, versus 9.1% in 1987. However, some of this additional tonnage was probably diverted to inventories. This year's gains in coated paper imports have mainly come from Canada and Finland. Recent expansions in

Canadian coated paper capacity are also factors in this growth.

New supply of uncoated free sheet papers exceeded its year-ago volume by 5.5% during the first three quarters of 1988, but seasonally-adjusted quarterly totals registered virtually no growth between the fourth quarter of 1987 and the third quarter of this year. Imports of these papers were up 44% during the first nine months of 1988, with most of the growth coming from Brazil and Europe. The imposition of 100% duties on imports of writing papers from Brazil, which became effective on October 20, will effectively cut off all writing paper from Brazil. Imports from Brazil were about 100,000 tons per year so far in 1988, equivalent to less than 1% of uncoated free sheet new supply.

New supply of uncoated groundwood papers surpassed its year-ago volume by 8.1% during the first three quarters of 1988. However, new supply of these papers rose by 5.9% from the fourth quarter of 1987 to the third quarter of 1988. Imports, largely from Canada and Finland, rose by 11.7%, and now comprise 55% of total groundwood paper new supply. Shipments of groundwood papers from domestic mills amounted to 7.4% of total printing-writing paper shipments, while imports of these grades were 57% of total printing-writing paper imports.

New supply of tissue papers advanced 3.6% during the first three quarters of 1988, which was about in line with the 3.4% increase recorded by this category in 1987. A 2.2% decline in the new supply of unbleached kraft papers during the first three quarters of 1988 was more than offset by strong growth in the demand for bleached kraft and industrial papers. As a result, total new supply of packaging and industrial converting papers exceeded its year-ago volume by 2.6% during the first three quarters of 1988.

After spurting ahead by 5.5% in 1987, new supply of newsprint exceeded its year-ago volume by 0.9% during the first three quarters of 1988. However, the third quarter 1988 rate of new supply of newsprint was off 4.3% from its fourth quarter 1987 level. This weakening partly reflected slower newsprint consumption gains by daily newspapers and other end users. Domestic production of newsprint fared better than total new supply, climbing 2.7% through September. On the other hand, imports of newsprint have remained nearly flat this year.

New supply of paperboard exceeded its year-ago volume by 2.8% during the first three quarters of 1988, but the third quarter 1988 total was 1.3% below last year's fourth quarter rate. Among the paperboard grades, new supply of recycled paperboard was up 3.8% on a year-to-date basis through September; semichemical paperboard, 3.3%. New supply of unbleached kraft paperboard rose 2.5%, compared with a 7.4% gain in 1987.

The table on page 10 presents quarterly data on new supply of paper and paperboard, by major grade, for 1987 and the first three quarters of 1988. The data on total paper and paperboard new supply differ from those shown on the Industry Data Sheet, largely because the Industry Data Sheet totals also include net imports of paper and paperboard products.

A 2500-2

INDUSTRY FACT SHEET

AMERICAN PAPER INSTITUTE, INC.
260 Madison Avenue
New York, New York 10016

November 23, 1988

PRODUCTION (000 TONS)

*	(P) OCTOBER 1988	* SEPTEMBER 1988	* OCTOBER 1987	* FIRST TEN MONTHS 1988	* 1987	% CHANGE YR TO DATE 1988/1987
PAPER GRADES						
Newsprint	507	492	508	4,976	4,860	2.4
Printing & Writing	1,842	1,822	1,819	18,265	17,271	5.8
Uncoated Groundwood (s)	148	141	123	1,347	1,262	6.7
Coated Paper (s)	617	606	602	6,175	5,685	8.6
Uncoated Free Sheet Paper (s)	953	954	966	9,482	9,112	4.1
Thin Paper (s)	17	16	21	184	208	-11.3
Cotton Fiber Paper (s)	14	13	14	135	137	-1.8
Bleached Bristols (s)	93	92	93	942	867	8.7
Tissue Paper	470	456	455	4,574	4,409	3.7
Total Pkg & Other Paper	435	441	436	4,339	4,221	2.8
Unbl. Kraft Paper (s)	248	261	260	2,528	2,575	-1.8
Other Paper	187	180	176	1,812	1,647	10.0
TOTAL PAPER	3,254	3,210	3,218	32,154	30,761	4.5
PAPERBOARD GRADES						
Unbleached Kraft Paperboard	1,582	1,590	1,564	16,130	15,749	2.4
Unbleached Kraft Linerboard	1,489	1,481	1,488	15,070	14,709	2.4
Other Unbl. Kraft Paperboard	93	109	77	1,060	1,040	2.0
Semichemical Paperboard	472	472	475	4,756	4,689	1.4
Bleached Paperboard	381	355	367	3,742	3,683	1.6
Recycled Paperboard	776	711	763	7,394	7,089	4.3
TOTAL PAPERBOARD	3,210	3,127	3,170	32,023	31,210	2.6
TOTAL PAPER AND PAPERBOARD	6,465	6,337	6,387	64,177	61,971	3.6

WOOD PULP (ALL GRADES)	SEPTEMBER 1988	AUGUST 1988	SEPTEMBER 1987	FIRST NINE MONTHS 1988	 1987	% Change 88/87
Dissolving & Special Alpha	135	119	112	1,030	978	5.3
Bleached Sulfite)	124	132	122	1,153	1,072	7.6
Unbleached Sulfite)						
Bleached & Semi-Bl. Sulfate	2,121	2,299	2,047	19,656	18,998	3.5
Unbleached Sulfate	1,800	1,840	1,778	16,324	16,035	1.8
Semichemical	353	371	359	3,247	3,188	1.9
Groundwood & Thermomechanical	473	504	505	4,457	4,247	4.9
TOTAL PULP DIVISION DATA	5,006	5,265	4,924	45,866	44,517	3.0

(s) - Shipments
P - Preliminary

NOVEMBER 30, 1988

	Full Year		INDUSTRY DATA 1987 - 1988			Ann. Rate Year - To - Date	% From Same Pd. Last Year
				R	P		
PAPER AND PAPERBOARD -- Tons (000)	1986	1987	August	September	October	1988	
Total Production (API).......: excluding :...	70,889	74,433	6,608	6,337	6,465	77,012	3.6
Total Seasonally Adjusted....:construction:...			6,380	6,371	6,363	76,533	3.2
Imports (including Products).: and wet :..E	11,597	12,454	1,083	1,108	1,092	12,911	4.1
Exports (including Products).: machine :..E	4,593	5,197	465	509	485	5,753	10.5
Apparent Consumption.........: grades :...	77,893 a	81,690 b	6,998	6,970	6,970	83,691 c	2.9
Paper Production % Tonnage Capacity...........	93.2 g	94.0	96.6	96.4	94.8	96.1	-
Paperboard Production % Tonnage Capacity......	94.3 g	96.8	97.4	95.8	95.7	97.5	-
			July	August	September		
IMPORTS.....:Including Construction and :...	11,936	12,837	1,075	1,113	1,142	13,207	3.7
EXPORTS.....: WMB Grades (excl. HPB) :...	4,687	5,304	440	475	520	5,880	10.2
			July	August	September		
MARKET WOOD PULP PRODUCTION - Tons (000)........	7,572	8,114	728	755	727	8,482	5.1
TOTAL WOOD PULP PRODUCTION - Tons (000).........	57,005	59,552	5,219	5,265	5,006	61,154	3.0
WOOD PULP IMPORTS - TONS (000)..................	4,582	4,850	416	460	379	5,017	3.2
WOOD PULP EXPORTS - TONS (000)..................	4,458	4,889	392	497	518	5,487	12.3
RAW MATERIALS CONSUMPTION - Tons (000)							
..PAPER AND BOARD MILLS : excluding :			July	August	September		
Wood Pulp............:consumption for:.....	57,061	59,475	5,160	5,236	4,927	60,879	2.7
Waste Paper..........:construction & :.....	17,285	18,296	1,525	1,610	1,537	18,836	3.5
TOTAL..........: WMB grades :.....	74,345	77,770	6,685	6,846	6,464	79,714	2.9
PULPWOOD CONSUMPTION Cords(000)Amer.Pulpwd. Assn	91,434	93,946	7,901	7,951	7,956	95,339	1.6
EMPLOYMENT (000)			August	September	October		
Paper and Allied Products..........Total......	673.7	679.0	693.6	691.0	691.7	688.5	1.6
Pulp, Paper and Board Mills........Total.....E	248.1	244.9	248.6	243.7	247.7	246.1	0.5
AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS ($)			August	September	October		
Paper and Allied Products......................	11.18	11.42	11.63	11.71	11.65	11.62	1.8
Pulp, Paper Mills...........................E	13.63	14.00	14.28	14.49	14.35	14.24	1.9
Paperboard Mills............................E	13.98	14.30	14.49	14.54	14.50	14.45	1.3
CAPITAL EXPENDITURES, PAPER & ALLIED PRODUCTS			1988 Q1	1988 Q2	1988 Q3		
(Rept. by US Dept. of Com., Ann. Rates, Bill.$)*	8.77	9.01	9.96	11.09	11.34	11.09 Y	23.1
INDEX OF OUTPUT PER MAN-HOUR (1977=100)..........			August	September	October		
:IN PULP, PAPER :...Production Workers..........	131.2	140.1	146.1	144.7	143.2	144.2	3.3
:AND BOARD MILLS:...All Employees...............	128.6	136.7	142.2	141.3	139.5	140.8	3.3
PAPER AND ALLIED PRODUCTS (Million $)			July	August	September		
Industry Shipments (Dept. of Commerce)*........	103,916	118,855	10,485	10,575	10,670	127,245	9.2
Pulp, Paper and Paperboard*..................	44,033	51,518	4,703	4,709	4,699	57,000	13.6
Inventories (End of Period) - Total Industry*..	10,429	11,284	11,530	11,647	11,819	11,819	6.9
Pulp, Paper and Paperboard*..................	4,115	4,266	4,038	4,116	4,197	4,197	0.9
			1987 Q4	1988 Q1	1988 Q2		
Sales (Corporations Only)......................	74,844	95,576 RS	25,088	25,504	27,227	105,462	15.2
Earnings (Corporations Only)...................	3,280	5,520 RS	1,495	1,744	2,195	7,878	61.5
Depreciation (Corporations Only)...............	3,389	4,279 RS	1,051	1,169	1,124	4,586	8.2
Net Worth (Corporations Only)..................	31,221	39,217 RS	39,217	40,213	41,621	41,621	13.1
PRICE INDEXES (Bureau of Labor Stats)1982=100			August	September	October		
Pulp, Paper & Products, ex. Building Grades....	107.5	114.3	126.3	127.6	128.2	124.0	9.0
Wood Pulp......................................	94.7	111.6	141.0	142.3	145.2	135.0	22.4
Waste Paper....................................	142.6	181.4	185.4	185.5	179.2	187.4	3.9
Paper..	107.0	111.5	124.7	125.4	127.0	122.3	10.3
Paperboard.....................................	106.5	118.1	134.5	136.3	136.5	132.6	13.1
PAPER DEMAND (INDEXED: 1977=100)			August	September	October		
Total Paper Production *......................	128.0	133.8	139.3	139.5	139.7	138.7	4.2
Paper New Supply *............................	133.7	140.6	145.5	146.5	146.3	145.1	3.7
Demand Indicators - (Weighted Average) *.....	146.4	154.5	165.3	166.1	166.7	162.8	5.9
Production of Nondurable Goods *...(21.2%).	130.1	136.8	145.0	145.3	145.7	143.2	5.2
Disposable Income ....*.(23.9%)	127.8	130.0	135.6	135.6	137.5	134.6	3.9
Total Printing and Publishing *...(54.9%).	160.9	172.0	186.1	187.4	187.5	182.7	6.7
Trend Factor	------------	------------	-------	Not Available	---------	------------	----------
PAPERBOARD DEMAND (INDEXED: 1977=100)							
Total Paperboard Production *.................	121.9	129.1	131.1	130.6	130.0	131.6	2.3
Production for Domestic Use	118.7	126.5	127.7	128.5	127.4	128.7	2.3
Demand Indicators - (Weighted Average) *.....	121.9	125.9	133.7	133.7	134.2	131.8	5.2
Production of Consumer Goods *...(62.06%)	124.1	127.7	134.9	134.7	135.5	133.1	4.5
Production of Equipment *...(5.75%)	143.7	148.8	159.9	160.9	161.7	158.0	6.7
Production of Materials *...(32.19%)	113.8	118.3	126.6	126.8	126.8	124.6	6.2
Trend Factor	------------	------------	-------	Not Available	---------	------------	----------
NEWSPRINT MARKETS			July	August	September		
Consumption by Publishers - Tons (000)..........	13,158	13,583	1,067	1,102	1,127	13,300	0.4
Newspaper Pub. and Printing Empl. Total(000)...	461	471	478	477	477	477	1.8
PRINTING AND FINE PAPER MARKETS							
MAGAZINE ADVERTISING PAGES (PIB, Inc.)...........	154,317	162,056	9,451	10,812	16,102	156,667	1.4
WHOLESALERS SALES AND INVENTORIES (Million $)							
Total Paper & Pap. Prdcts.,ex Wallpaper..Sales	38,245	44,741	4,173	4,706	4,596	51,553	20.1
Inventories (End of Period).	3,577	3,850	4,308	4,207	4,191	4,191	18.4
FIBRE BOX DATA (Fibre Box Association)			August	September	October		
Fibre Box Shipments (Million square feet).......	283,921	297,827	27,008	26,063	27,797	310,842	3.1
Container'bd Inventory at Mill & Plant(000Tons).	2,238	2,486	2,732	2,673	2,537	2,537	5.9
RETAIL TRADE (Billion $)			August	September	October		
Total Retail Sales *...........................	1,437	1,509	135	134	136	1,594	6.1
Nondurable Goods Stores Sales *...............	899	951	85	85	86	993	4.8
GENERAL ECONOMIC DATA			August	September	October		
TOTAL INDUSTRIAL PRODUCTION (INDEX 1977 = 100)*..	125.1	129.8	138.4	138.7	139.2	136.6	5.8
PRODUCER PRICES(ALL COMMODITIES)(INDEX 1982=100).	100.2	102.8	108.0	108.1	108.2	106.6	3.9
CONSUMER PRICES (ALL ITEMS) (INDEX 1982-4=100)...	109.6	113.6	119.0	119.8	120.2	117.8	4.0
			July	August	September		
TOTAL CONSUMER CREDIT OUTSTANDING - (Billion $)..	586	624	646.7	654.7	660.2	660.2	8.6
GROSS NATIONAL PRODUCT - ANNUAL RATE (Billion$)..			1988 Q1	1988 Q2	1988 Q3		
G.N.P. or Expenditure - Current $..............	4,240	4,527	4,725	4,824	4,909	4,819	7.5
G.N.P. or Expenditure - 1982 $.................	3,722	3,847	3,956	3,985	4,011	3,984	4.2

lb/capita Pap&Papbd	Othr	Totl	Popul(mil)
.a - 645 +	18 =	663	241.6
.b - 670 +	17 =	687	243.9
.c - 682 +	17 =	699	245.5

.E - Last month estimated by API

f - Wood Pulp Production excludes def., explo. & scrngs.
g - Adjusted for holiday shutdowns
Q - Quarter

R - Revised
Y - Full year estim. by U.S. Dept. of Com.
RS - Revised Series
* - Seasonally Adjusted.

A2500-2
1/6/89

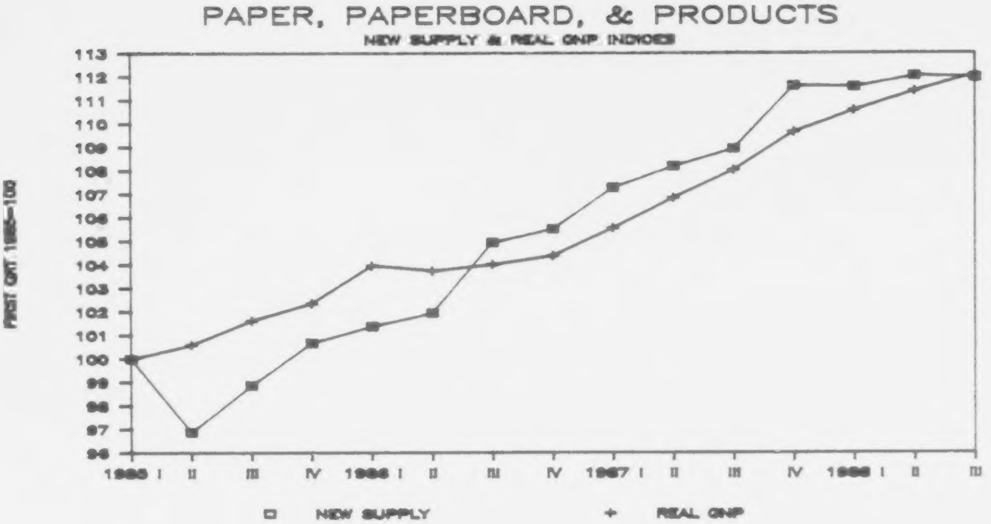
Paper
Paperboard
& Wood Pulp

MONTHLY STATISTICAL SUMMARY - Vol. 66 No. 12 DECEMBER 1988

PAPER AND PAPERBOARD PRODUCTION: HOLDING FIRM

Paper and paperboard production continues on a track leading to a 1988 total of 76.8-77.0 million tons. The final tonnage will depend on the extent of the year-end shutdowns of those mills that continue to reserve the last few days of the year for that process. At the conservative 76.8 million tons total, production would establish a new high, 3.2% above last year's record 74.4 million tons. On this assumption both paper and paperboard production would establish new highs, with paper up 4.0%, paperboard 2.3%.

The new supply total (production of paper and paperboard plus imports less exports of both primary and converted products, a good proxy for total consumption) is also moving to a new record level. As of the third quarter of this year, the growth in new supply since the first quarter of 1985 -- the start of an inventory cycle in paper and paperboard production -- just about matched that of the real gross national product (Real GNP). The chart below shows the quarterly growth patterns of paper and paperboard new supply and real GNP from the first quarter of 1985 to the third quarter of 1988. The chart highlights the differences in the trends during the course of the cycle.



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On the basis of complete data available for the first three quarters of 1988, new supply is pointing to a 1988 total of about 84 million tons, roughly 3% above the 1987 record. This would indicate a rate of about 644 pounds per capita, which would also establish a new high.

Production by grade: The major gains in paper production continue to be centered on printing-writing papers and packaging and industrial papers other than unbleached kraft. Total printing-writing papers are likely to reach at least 21.9 million tons, about 5.5% above 1987's high. The strongest growth appears to be in uncoated groundwood papers and coated papers, with each showing gains above 7%. Commercial printers were the major source of growth in demand for groundwood papers, while coated papers saw major demand increases from magazine and other periodical publishers, book publishers as well as commercial printers.

The 1988 uncoated free sheet total will probably show an increase of something less than 4%. However, the important bond and writing grades -- which include cut-size bond papers for the rapidly increasing personal computer population -- are pointing to gains in the neighborhood of 6%. The printing paper sector of uncoated free sheet papers will probably show a similar gain.

Among the remaining paper grades, the "other" packaging and industrial grades are posting particularly large increases. Data through 11 months show a gain in the neighborhood of 10%, largely concentrated in the specialty packaging papers. Tissue paper production is moving to a solid 3% increase, with unbleached kraft papers experiencing a small decline.

Production of each of the major paperboard grades is growing moderately, with the gains clustering relatively closely about the average for the total group. The largest increases are in recycled paperboard, with the 1988 increase at about 4%. Production of recycled folding boxboard is pointing to a somewhat larger increase than solid bleached boxboard.

Production of containerboard for domestic use is following a track fairly consistent with that of fibre box shipments. Based on eleven months of actual data, total shipments of fibre boxes in 1988 is likely to reach a new high of some 307.7 billion sq. ft., 3.3% above its 1987 high. Production of containerboard for domestic use is pointing to a 2.6% gain. These totals pretty well match final demand, and inventories of containerboard at mills and plants as of December 1, 1988 were below the total held at the beginning of the year. Inventories are currently equivalent to about 5.6 weeks of supply, compared to 5.7 weeks of supply one year ago.

Continued on Page 11

PAPER AND PAPERBOARD STATISTICS

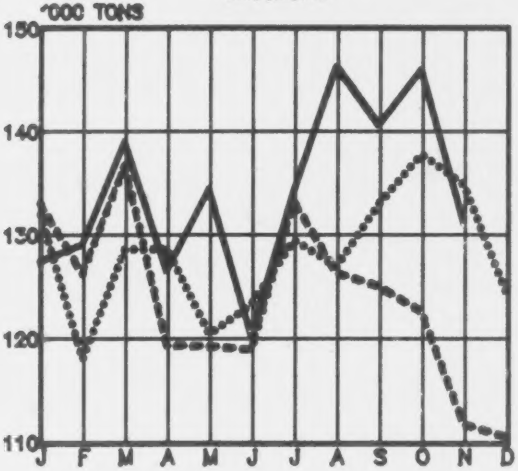
PRODUCTION, SHIPMENTS AND ORDERS
(Thousands of Short Tons)

	YEAR 1986	YEAR 1987	AUGUST 1988	SEPTEMBER 1988	OCTOBER 1988 (R)	NOVEMBER 1988 (P)	Annual Rate Y-T-D 1988	% Change From same Period Last Year
PAPER								
Newsprint - Production	5,630	5,842	509	492	508	493	5,968	2.4
- Shipments	5,638	5,854	506	493	508	502	5,941	1.9
Printing & Writing Sum	19,668	20,780	1,911	1,830	1,849	1,784	21,888	5.6
Groundwood Paper - Shipments	1,540	1,485	147	141	146	131	1,611	7.5
- New Orders	1,553	1,529	136	143	144	115	1,586	3.8
-Unfilled Orders	124	164	171	173	168	144	144	2.0
Coated Papers - Shipments	6,263	6,860	648	606	625	611	7,411	8.3
- New Orders	6,334	7,066	641	584	666	581	7,463	5.9
- Unfilled Orders	469	708	756	729	749	723	723	8.8
Unctd Free Sheet - Shipments	10,410	10,977	982	958	943	914	11,334	3.7
- New Orders	10,485	11,184	953	928	936	871	11,310	1.6
- Unfilled Orders	587	773	805	777	745	707	707	-3.6
Thin Papers - Shipments	271	251	19	16	21	20	227	-9.0
Cotton Fiber Paper - Shipments	152	163	13	13	15	13	163	-0.7
Bleached Bristols - Production	1,033	1,044	103	96	99	95	1,142	9.6
Tissue Paper - Production	5,095	5,301	471	456	473	455	5,488	3.7
Total Packaging & Other Paper	5,117	5,072	432	441	435	424	5,197	2.7
Unbl. Kraft Paper - Shipments	3,303	3,079	250	261	248	246	3,026	-1.6
Other Paper - Production	1,014	1,993	182	180	187	178	2,171	9.2
TOTAL PAPER-Production-Unadj.	35,510	36,994	3,323	3,218	3,265	3,157	38,541	4.4
-Production-S.A.			3,221	3,227	3,233	3,238	38,508	4.1
PAPERBOARD - PRODUCTION								
Solid Wood Pulp Furnish	27,336	28,944	2,555	2,417	2,427	2,344	29,417	1.9
Total Unbl. Kraft Paperboard	17,689	18,913	1,666	1,590	1,576	1,589	19,236	2.1
Unbl. Kraft Linerboard (1)	16,402	17,682	1,552	1,481	1,479	1,407	17,963	1.9
Production for Export	2,246	2,318	203	185	192	154	2,337	1.8
Other Unbl. Kraft Paperboard	1,207	1,232	114	109	97	102	1,273	4.1
Semichemical Paperboard	5,376	5,600	494	472	472	475	5,706	1.6
Production for Export	213	189	14	11	12	14	137	-28.6
Solid Bleached Paperboard	4,222	4,420	395	355	380	361	4,475	1.9
Production for Export	569	619	55	47	51	48	601	-2.9
Recycled Paperboard	8,092	8,506	730	711	775	714	8,844	3.7
Production for Export	70	75	6	3	2	7	68	-8.3
TOTAL PAPERBOARD-Prod.-Unadj.	35,379	37,439	3,284	3,127	3,203	3,058	38,261	2.3
- Containerboard Prod.(Dom. Use)	21,426	23,016	2,003	1,948	1,954	1,899	23,517	2.2
- Boxboard Prod.(Dom. Use) (2)	5,863	6,026	539	498	529	505	6,235	3.8
- All Other P'bd Prod.(D.U.) (2)	4,992	5,196	463	435	463	429	5,367	3.4
- Total Paperbd Prod. for Export	3,097	3,201	279	247	257	224	3,143	-1.2
TOTAL PAPERBOARD PROD.- S.A.			3,174	3,157	3,141	3,125	38,077	2.0
TOTAL PAPER AND PAPERBOARD Production - Unadj. (R)	70,889	74,433	6,607	6,345	6,467	6,214	76,802	3.4
Production - S.A.			6,395	6,384	6,374	6,363	76,585	3.1

(1) Includes all exports of kraft paperboard. R - Revised P - Preliminary S.A. - Seasonally Adjusted
(2) Data for unbl. kraft folding boxboard incl. in All Other P'bd.

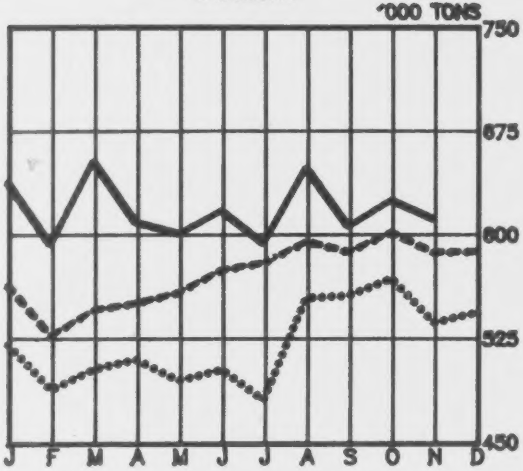
GROUNDWOOD PAPER, UNCOATED

SHIPMENTS



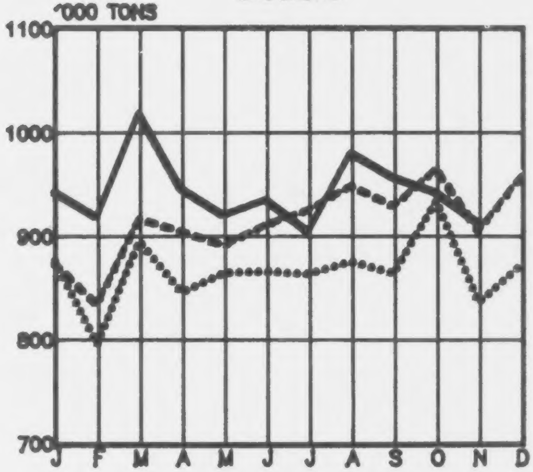
COATED PAPER

SHIPMENTS



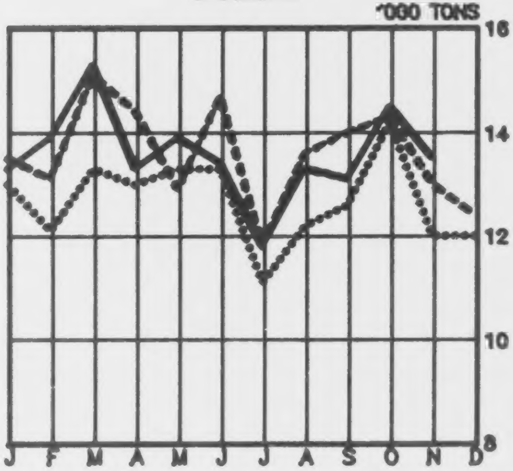
UNCOATED FREE SHEET PAPERS

SHIPMENTS



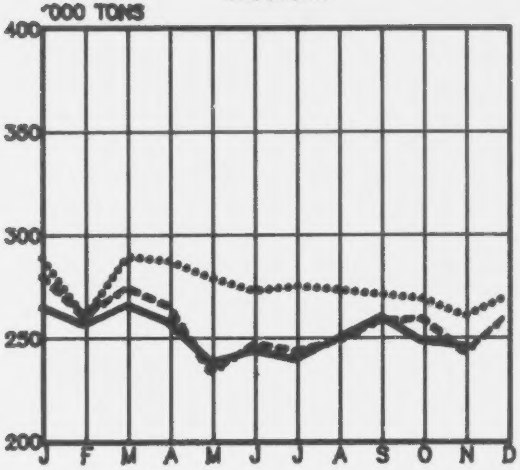
COTTON FIBER PAPER

SHIPMENTS



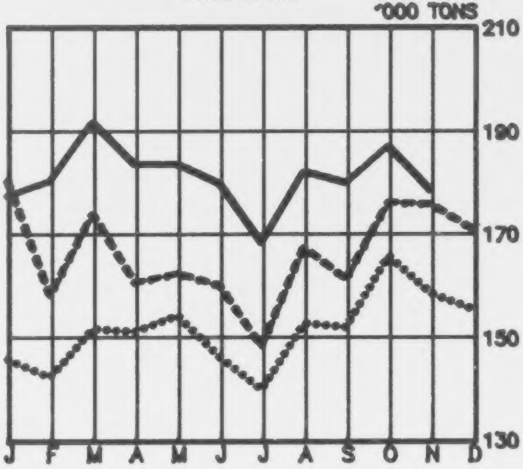
UNBLEACHED KRAFT PACKAGING AND INDUSTRIAL CONVERTING PAPER

SHIPMENTS



OTHER PAPER

PRODUCTION



1986 ········ 1987 – – – – 1988 ——

WOOD PULP STATISTICS
(Thousands of Tons)

	YEAR		JULY	AUGUST	SEPTEMBER	OCTOBER	Annual Rate Y-T-D	% Change from same Period
	1986	1987	1988	1988	1988	1988	1988	Last Year
TOTAL WOOD PULP					R	P		
Total Wood Pulp - Production	57,005	59,552	5,219	5,265	5,006	5,078	61,132	2.7
- Imports	4,582	4,850	416	460	379	436	5,039	4.1
- Exports	4,458	4,889	392	497	518	421	5,443	13.4
- New Supply	57,129	59,513	5,243	5,227	4,867	5,093	60,728	2.0
Dissolving Pulp - Production	1,258	1,312	117	119	135	99	1,354	5.9
- Imports	255	198	11	24	19	15	231	6.6
- Exports	711	752	56	63	81	74	844	13.6
- New Supply	801	757	72	81	73	40	741	-1.5
Paper Grades - Production	46,081	48,293	4,241	4,272	4,045	4,100	49,479	2.5
Chemical Pulp - Imports	4,220	4,456	375	404	338	374	4,426	-0.4
- Exports	3,689	4,111	331	431	434	344	4,553	12.9
- New Supply	46,612	48,637	4,284	4,244	3,949	4,130	49,353	1.4
Groundwood and - Production	5,476	5,702	497	504	473	513	5,963	4.7
Thermo-Mech. - Imports	108	197	30	32	21	47	382	108.8
- Exports	59	26	4	3	3	4	47	103.4
- New Supply	5,525	5,872	523	532	492	557	6,298	7.5
Semi-Chemical - Production	4,191	4,246	363	371	353	367	4,336	1.7
- Imports								
- Exports								
- New Supply	4,191	4,246	363	371	353	367	4,336	1.7
MARKET WOOD PULP								
Total Market - Production	7,572	8,114	728	755	727	646	8,409	4.2
Wood Pulp - Imports	3,122	3,235	291	325	281	285	3,461	7.6
- Exports	4,470	4,820	382	442	420	380	4,908	3.0
- New Supply	6,224	6,529	636	638	588	551	6,963	6.8
Dissolving Pulp - Production	1,251	1,308	117	119	135	99	1,352	6.0
- Imports	212	154	11	22	18	9	199	20.6
- Exports	718	775	48	63	93	56	777	1.1
- New Supply	745	687	79	77	59	52	773	15.3
Paper Grades - Production	6,315	6,806	611	636	593	547	7,057	3.9
Chemical Pulp - Imports	2,831	2,975	267	294	254	262	3,102	5.2
- Exports	3,752	4,045	334	379	327	324	4,131	3.3
- New Supply	5,394	5,736	544	551	520	485	6,029	5.0
Groundwood Pulp - Production	5	0	0	0	0	0	0	0
and All Other - Imports RS	79	106	13	10	9	15	161	53.8
- Exports	0	0	(0)	0	0	0	(0)	0.0
- New Supply	85	106	13	10	9	15	161	54.2

SOURCES: Total Wood Pulp Production & Market Wood Pulp Production, Imports & Exports - Pulp Division, Pulp, Materials and Technology Group, API. Total Wood Pulp Imports & Exports - Department of Commerce.

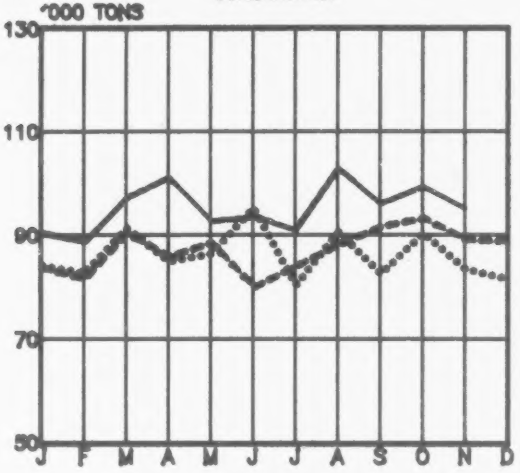
FIBROUS RAW MATERIALS
(Thousands of tons)

	YEAR		JULY	AUGUST	SEPTEMBER	OCTOBER	Annual Rate Y-T-D	% Change from same Period
	1986	1987	1988	1988	1988	1988	1988	Last Year
CONSUMPTION AT PAPER & PAPERBOARD MILLS					R	P		
Total	74,345	77,770	6,685	6,847	6,463	6,722	79,810	2.7
Total Wood Pulp	57,061	59,474	5,160	5,236	4,927	5,158	60,980	2.6
Waste Paper	17,285	18,296	1,525	1,611	1,536	1,565	18,830	2.9
INVENTORIES								
Chemical Paper Grade Market Pulp								
Producers' Own-Use Inventories	174	170	194	199	198	161	161	-0.1
Producers' Market Inventories	284	224	236	247	272	275	275	3.3
Consumers' Purchased Inventories #	496	529	548	634	628	583	583	9.8
Waste Paper at Paper & Bd. Mills	838	920	905	970	1,066	1,056	1,056	20.5
Days of Supply at Pulp Mills of Chemical Paper Grade Mkt Pulp	16	12	12	13	14	15	15	7.1

SOURCES: Wood Pulp Data, Pulp Division, Pulp, Materials and Technology Group, API. Waste Paper Data, Paper Recycling Committee, API. # Includes all grades of wood pulp.
P - Preliminary; R - Revised; (0) - Indicates zero to five-hundred short tons RS - 1988 Revised Series

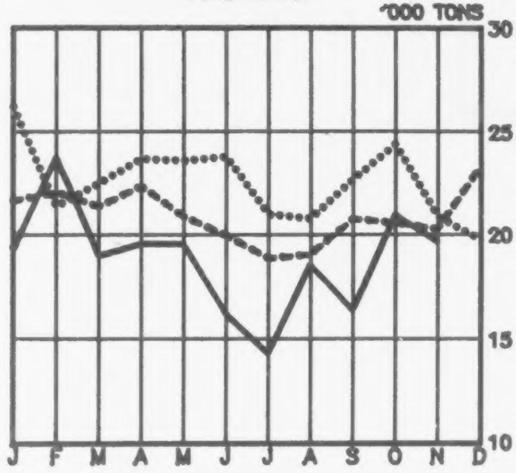
BLEACHED BRISTOLS

PRODUCTION



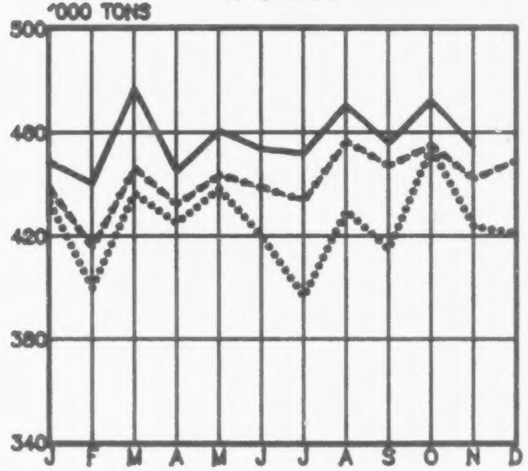
THIN PAPER

PRODUCTION



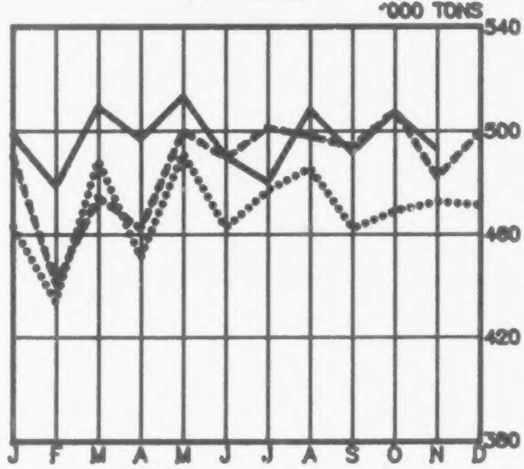
TISSUE PAPER

PRODUCTION



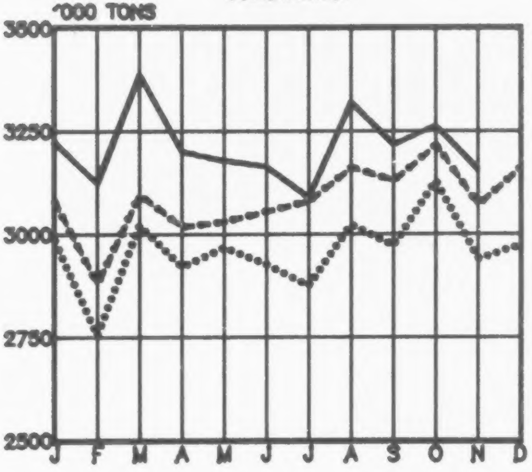
NEWSPRINT

PRODUCTION



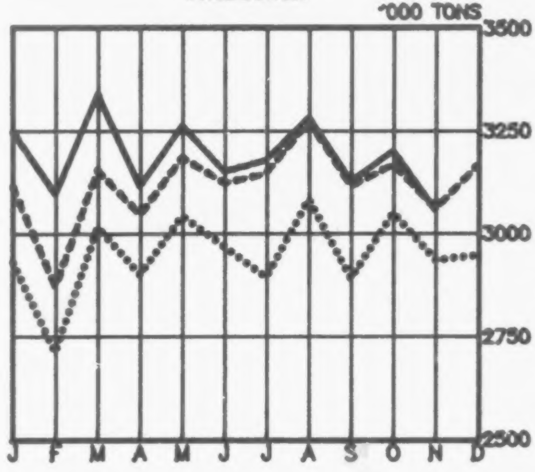
TOTAL PAPER

PRODUCTION



TOTAL PAPERBOARD

PRODUCTION



1986 ········ 1987 – – – – –1988 ———

FIBROUS RAW MATERIALS

(Thousands of Standard (128 cubic foot) Cords)

		YEAR 1986	YEAR 1987	JULY 1988	AUGUST 1988	SEPTEMBER 1988	OCTOBER 1988	Annual Rate Y-T-D 1988	% Change From Same Period Last Year
PULPWOOD									
Total U.S.	- Total Receipts	90,943	94,312	7,652	8,007	8,080	8,245	95,134	0.2
	- Total Consumpt	91,434	93,946	7,901	7,951	7,956	7,908	95,294	1.3
	- Residues *	32,755	32,899	2,697	2,769	2,723	2,869	33,125	0.2
	- Inventories	4,794	5,096	4,232	4,325	4,484	4,726	4,726	-10.8
So. Atlantic	- Total Receipts	29,513	31,147	2,541	2,653	2,688	2,731	31,319	0.3
	- Total Consumpt	29,425	30,915	2,613	2,652	2,686	2,650	31,465	1.8
	- Residues *	9,343	9,553	800	795	799	903	9,816	3.4
	- Inventories	994	1,211	980	997	1,048	1,134	1,134	-9.7
Northeast	- Total Receipts	7,277	6,941	569	623	622	645	7,104	1.5
	- Total Consumpt	7,227	7,109	578	599	549	565	7,230	0.9
	- Residues *	1,419	1,543	107	150	138	133	1,630	5.6
	- Inventories	484	594	430	429	482	507	507	-6.5
South Central	- Total Receipts	31,790	33,650	2,632	2,835	2,914	2,825	33,508	-0.7
	- Total Consumpt	32,113	33,059	2,742	2,789	2,876	2,706	33,426	1.4
	- Residues *	9,792	9,992	815	830	816	836	9,857	-2.4
	- Inventories	926	1,294	937	987	1,030	1,147	1,147	-15.8
North Central	- Total Receipts	6,571	6,552	557	556	545	563	6,938	5.3
	- Total Consumpt	6,730	6,764	566	565	519	568	6,958	2.8
	- Residues *	1,042	1,263	107	118	116	100	1,366	14.5
	- Inventories	892	830	802	803	825	852	852	-3.5
West	- Total Receipts	15,792	16,022	1,353	1,340	1,311	1,481	16,265	-0.5
	- Total Consumpt	15,939	16,099	1,402	1,346	1,326	1,419	16,216	-0.1
	- Residues *	11,159	10,548	868	876	854	891	10,457	-2.5
	- Inventories	1,498	1,167	1,083	1,109	1,099	1,086	1,086	-13.6

* - Consumption of Residues in Cord Equivalents. SOURCE: American Pulpwood Association 16-Dec-88

UNITED STATES TRADE WITH CANADA

IMPORTS FROM CANADA

	YEAR 1987 Tons	YEAR 1987 ($000's)	SEPTEMBER 1988 Tons	SEPTEMBER 1988 ($000)	OCTOBER 1988 Tons	OCTOBER 1988 ($000)	Annual Rate Y-T-D 1988 Tons	% Change From same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	15,382	1,736	8,278	696	1,424	107	44,252	340.7
Pulpwood chips	487,147	15,250	84,058	4,489	65,490	2,264	852,034	97.2
Wood Pulp, Total	4,320,114	1,842,019	308,546	170,333	390,161	217,226	4,327,457	0.3
Waste Fibrous Materials, Total	186,286	36,423	20,552	4,046	18,875	4,067	238,647	31.8
Paper, Board & Products, Total	10,588,047	5,093,903	896,810	497,877	879,346	486,482	10,751,048	1.1
Paper, Paperboard, Wet Machine Bd. & Constr. Paper & Bd.	10,441,472	4,845,663	883,557	474,047	864,915	462,600	10,602,385	1.1
Paper, Paperboard & Products	10,365,412	5,027,943	874,010	491,370	856,245	479,713	10,530,136	1.2
Paper & Paperboard, Only	10,218,838	4,779,702	860,756	467,540	841,814	455,830	10,381,473	1.2
Paper, Total	9,961,198	4,698,148	841,500	460,580	817,476	446,462	10,114,775	1.2
Newsprint	8,588,309	3,956,147	701,020	372,784	679,509	358,949	8,497,493	-1.5
Printing, Writing & Rel. Pap.	1,111,641	601,978	113,949	71,617	114,833	73,114	1,325,955	19.7
Pack. & Ind. Conv. Paper	215,514	102,986	21,742	11,507	18,852	10,561	236,767	8.5
Special Industrial Paper	5,478	9,844	463	966	234	374	4,466	-16.9
Tissue Paper	40,257	27,194	4,326	3,705	4,049	3,465	50,094	27.7
Paperboard, Total	257,639	81,554	19,256	6,961	24,338	9,368	266,698	4.0
Convtd Paper&Paperbd Products	146,575	248,241	13,254	23,830	14,431	23,882	148,663	1.5
Wet Machine Board	2,890	1,977	293	202	298	241	3,111	7.4
Construction Paper & Board	219,744	63,983	22,507	6,306	22,803	6,528	217,800	-5.3

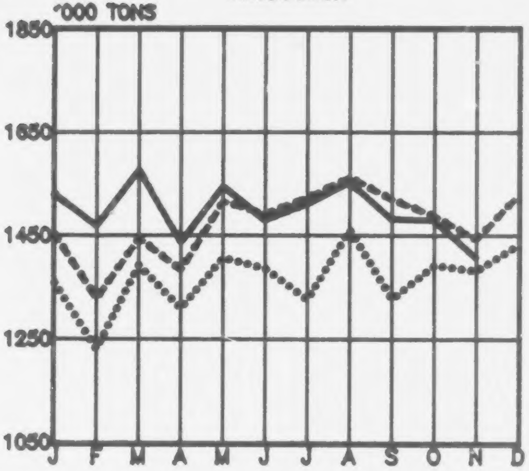
EXPORTS TO CANADA

	YEAR 1987 Tons	YEAR 1987 ($000's)	SEPTEMBER 1988 Tons	SEPTEMBER 1988 ($000)	OCTOBER 1988 Tons	OCTOBER 1988 ($000)	Annual Rate Y-T-D 1988 Tons	% Change From same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	12,617	770	904	60	898	63	12,924	1.1
Pulpwood chips	61,575	4,014	1,673	64	864	40	37,601	-45.2
Wood Pulp, Total	198,921	75,956	29,411	9,766	18,915	8,786	271,499	31.3
Cotton Pulp & Other Pulp	58,288	14,775	4,404	1,384	7,978	2,416	79,733	43.7
Waste Paper	286,898	30,592	30,662	3,712	26,233	3,054	336,457	20.7
Paper, Board & Products, Total	957,434	598,429	88,190	62,588	76,852	57,178	1,199,058	25.5
Paper, Paperboard, Wet Machine Bd. & Constr. Paper & Bd.	712,494	398,256	65,155	41,039	57,160	37,208	920,598	30.7
Paper, Paperboard & Products	920,755	581,481	84,469	60,883	72,958	55,689	1,162,520	26.6
Paper & Paperboard, Only	675,815	381,308	61,433	39,333	53,266	35,719	884,060	32.6
Paper, Total	297,585	250,807	28,302	26,582	27,708	24,303	347,835	17.8
Newsprint	4,525	3,728	1,226	1,159	988	850	5,938	22.1
Printing, Writing & Rel. Pap.	151,716	125,667	13,505	13,538	13,169	14,095	171,130	15.8
Pack. & Ind. Conv. Paper	25,826	17,841	4,122	2,995	2,928	2,263	39,838	54.5
Special Industrial Paper	110,107	97,080	8,588	8,051	9,946	6,316	123,900	11.3
Tissue Paper	5,411	6,490	861	839	678	779	7,029	29.1
Paperboard, Total	378,230	130,501	33,132	12,752	25,558	11,416	536,225	44.3
Convtd Paper&Paperbd Products	244,940	200,173	23,036	21,549	19,692	19,971	278,461	10.8
Wet Machine Board	10,212	4,828	522	201	210	105	6,604	-38.3
Construction Paper & Board	26,467	12,120	3,200	1,505	3,684	1,384	29,934	11.0

SOURCE: Bureau of Census, Department of Commerce . E - Estimate of tonnage based on square foot data 16-Dec-88

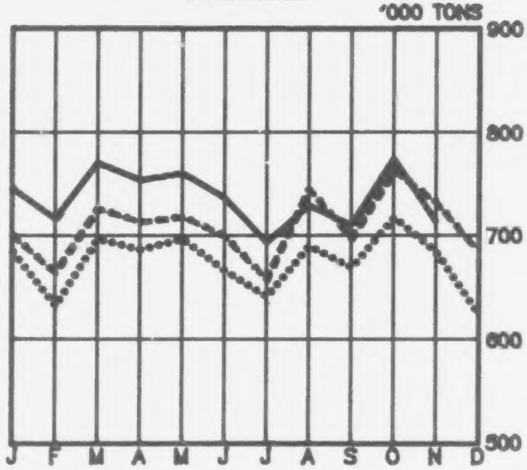
UNBLEACHED KRAFT LINERBOARD

PRODUCTION



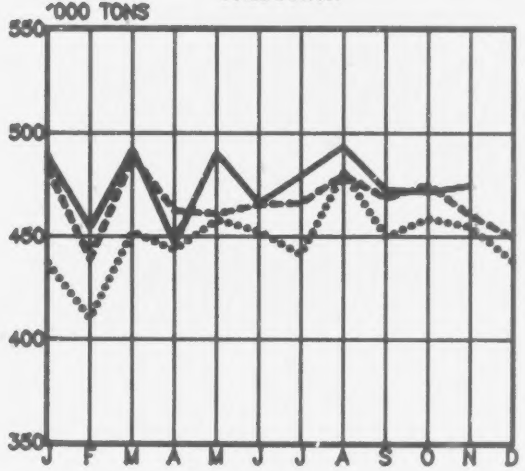
RECYCLED PAPERBOARD

PRODUCTION



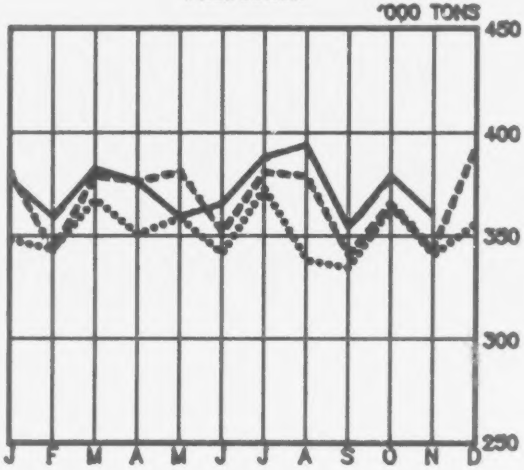
SEMICHEMICAL PAPERBOARD

PRODUCTION



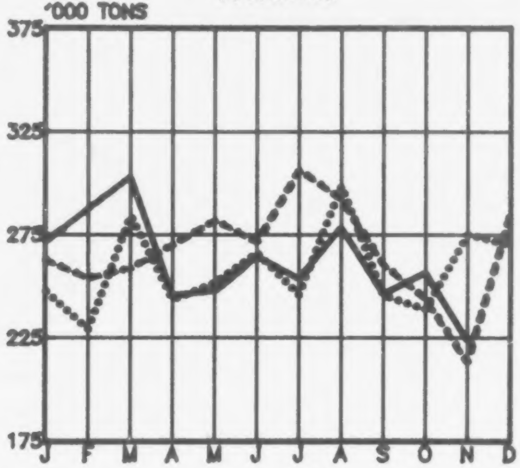
SOLID BLEACHED PAPERBOARD

PRODUCTION



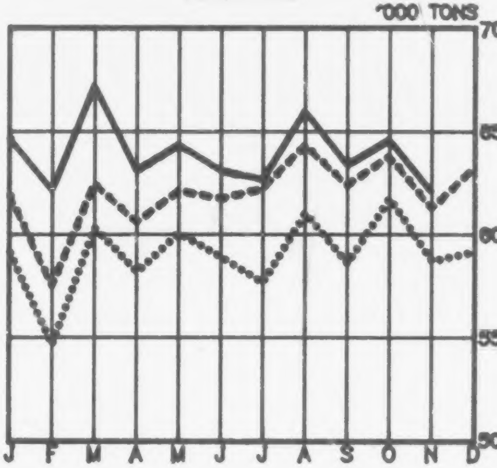
PAPERBOARD FOR EXPORT

PRODUCTION



TOTAL PAPER AND PAPERBOARD

PRODUCTION



1986 ········· 1987 ━━━━━ 1988 ———

IMPORTS

	YEAR 1987 Tons	YEAR 1987 $000	1988 SEPTEMBER Tons	1988 SEPTEMBER $000	1988 OCTOBER Tons	1988 OCTOBER $000	(1) Annual Rate YTD 1988 Tons	% Change from same Period Last Year
Pulpwood Roundwood (cords)	15,432	1,746	8,278	696	1,600	111	44,466	340.2
Pulpwood Chips	525,629	15,476	85,297	4,538	65,518	2,274	865,542	82.2
Total All Imports	17,891,172	9,043,600	1,542,794	925,678	1,534,489	921,049	18,479,954	3.5
Wood Pulp Total	4,850,238	2,069,389	378,789	211,695	435,547	243,642	5,038,420	4.1
Waste Paper	127,398	19,231	15,601	2,461	12,865	2,160	167,419	38.5
Other Fibrous Materials	76,491	27,287	6,900	2,475	8,913	3,020	94,973	21.1
Paper Board & Products Total	12,837,046	6,927,693	1,141,504	709,046	1,077,165	672,226	13,179,142	2.9
Paper Paperboard Wet Machine Bd. & Construction Paper & Board	12,435,486	5,995,122	1,104,777	623,325	1,034,949	580,727	12,750,656	2.8
Paper Ppbd & Prds ex Cnst&WMB	12,527,598	6,828,736	1,108,327	698,046	1,044,009	661,825	12,853,468	2.9
Paper & Paperboard Only	12,126,039	5,896,165	1,071,601	612,325	1,001,793	570,326	12,424,982	2.8
Paper Total	11,765,208	5,768,703	1,046,060	602,523	970,388	558,084	12,082,645	3.1
Newsprint	8,986,548	4,121,327	742,099	391,941	703,213	369,994	8,814,402	-2.1
Printing & Writing	2,410,216	1,412,458	266,875	184,749	232,989	163,107	2,855,145	21.8
Uncoated Groundwood	1,269,774	654,767	125,006	75,797	116,699	70,299	1,422,860	14.2
Coated Print.& Impreg. Pap.	674,531	467,865	83,896	68,564	59,662	50,171	801,455	22.2
Uncoated Free Sheet	417,395	249,943	50,358	35,003	51,385	38,063	566,702	44.2
Uncoated Book	210,624	119,775	28,201	18,754	19,178	14,236	249,770	17.0
Writing and Similar Paper	206,771	130,168	22,157	16,249	32,207	23,828	316,932	76.6
Thin (except Cigarette)	47,567	38,831	5,852	4,646	5,215	4,551	59,235	22.0
Bristols	950	1,052	1,764	739	28	23	4,892	448.5
Total Pkg & Other Paper	310,324	191,620	32,689	21,933	29,702	21,086	349,669	10.2
Unbleached Kraft Paper	168,420	69,828	15,327	7,430	12,261	5,960	168,352	-3.5
Other Pkg. & Indust. Paper	141,904	121,792	17,362	14,503	17,441	15,126	181,317	27.0
Tissue	58,121	43,299	4,397	3,900	4,485	3,897	63,429	13.4
Paperboard, Total	360,831	127,461	25,541	9,802	31,405	12,242	342,338	-5.9
Test or Containerboard	80,981	29,352	7,549	3,036	9,439	3,871	83,222	3.6
Semi-Chemical Corrugating	128,636	33,898	10,398	3,353	12,842	4,072	147,873	17.8
Other Paperboard	151,214	64,211	7,593	3,413	9,124	4,299	111,243	-29.6
Convtd Paper&Paperbd Products	401,559	932,571	36,726	85,721	42,216	91,499	428,486	5.9
Paper Products, Total	368,179	866,121	34,030	80,701	38,821	85,591	391,398	5.6
Paperboard Products, Total	33,380	66,450	2,696	5,020	3,395	5,908	37,088	9.6
Wet machine Board	3,463	2,638	461	412	312	254	4,354	25.1
Construction Paper & Board	305,985	96,320	32,716	10,588	32,844	10,148	321,319	0.7
Notes								
Other: No Weight Avail. ($000)		201,453		15,304		16,990	181,461	-12.2
Total Imports Incl. Other($000)		9,245,053		940,982		938,040	10,878,260	19.0

EXPORTS

Pulpwood, Roundwood (cords)	16,178	913	904	60	1,287	80	14,401	-4.3
Pulpwood Chips	2,546,467	188,459	379,162	32,555	338,411	28,912	3,414,103	39.4
Total All Exports	14,797,437	6,007,818	1,518,279	688,357	1,350,457	603,573	16,861,735	15.9
Wood Pulp,Total	4,889,331	2,259,377	517,617	277,926	420,886	232,726	5,443,165	13.4
Cotton Pulp and Other Pulp	182,001	91,365	13,853	9,113	15,738	8,655	197,251	9.7
Waste and Old Paper	4,422,139	553,348	466,945	57,181	476,915	57,206	5,530,316	29.9
Paper, Board & Products,Total	5,303,966	3,103,728	519,864	344,136	436,918	304,986	5,691,002	7.1
Paper,Paperboard,Wet Machine Bd. & Construction Paper & Board	4,578,770	2,280,329	452,294	249,518	371,623	213,062	4,875,604	6.2
Paper, Ppbd & Prod ex Cnst&WMB	5,196,613	3,044,506	509,220	338,866	425,507	298,932	5,556,137	6.7
Paper & Paperboard, Only	4,471,418	2,221,107	441,651	244,247	360,213	207,000	4,740,738	5.7
Paper, Total	921,397	776,181	103,016	91,912	98,073	86,667	1,078,883	18.3
Newsprint	339,773	210,093	48,831	32,031	44,092	29,253	403,094	18.9
Printing & Writing	249,092	242,639	22,341	26,784	22,560	27,524	282,990	15.9
Uncoated Groundwood	55,841	39,750	5,843	5,327	4,724	3,967	64,672	17.9
Clay Coated Paper	100,839	72,145	6,883	6,235	7,297	6,471	99,655	2.0
Uncoated Free Sheet	67,858	99,330	6,870	10,897	7,121	11,290	83,373	25.7
Other Printing & Writing	24,554	31,414	2,746	4,325	3,417	5,796	35,290	39.6
Total Pkg. & Other Paper	294,201	292,659	29,232	30,207	28,847	27,040	347,604	19.6
Unbleached Kraft	89,194	40,758	11,576	5,879	9,826	4,928	106,142	24.2
Other Pkg. & Indust. Paper	205,007	251,901	17,656	24,328	19,021	22,112	241,462	17.7
Tissue	38,332	30,790	2,613	2,890	2,575	2,851	45,195	18.0
Paperboard, Total	3,550,021	1,444,926	338,635	152,336	262,140	120,340	3,661,855	2.5
Solid Wood Pulp	3,218,952	1,321,618	317,122	141,513	242,346	110,358	3,376,301	4.0
Total Linerboard	2,296,633	812,161	223,940	88,938	153,113	59,135	2,275,094	-1.8
Bleached Kraft Linerboard	102,266	46,429	10,644	5,891	9,692	5,001	130,108	53.7
Unbleached Kraft Linerbd	2,194,367	765,731	213,295	83,047	143,421	54,134	2,144,986	-3.9
Other Unbleached Kraft	210,566	78,596	27,271	9,723	21,829	7,377	323,521	50.8
Other Bleached Kraft	647,803	407,923	64,816	42,200	66,239	43,292	736,589	13.8
Semi-Chemical Corrugating	67,951	22,938	1,096	653	1,165	554	41,096	-38.9
Recycled Paperboard	331,069	123,308	21,512	10,822	19,794	9,983	285,554	-12.5
Convtd Paper&Paperbd Products	725,196	823,399	67,569	94,618	65,295	91,924	815,398	12.9
Paper Products, Total	301,202	540,681	32,069	62,216	32,346	61,030	365,256	22.1
Paperboard Products, Total	423,994	282,718	35,500	32,402	32,948	30,894	450,142	6.4
Wet Machine Board	17,328	7,816	911	394	906	404	11,925	-35.3
Construction Paper & Board E	90,024	51,405	9,733	4,877	10,504	5,650	122,940	41.0
Notes								
Other: No Weight Avail. ($000)		8,037		700		757	9,046	15.0
Total Exports Incl. Other($000)		6,015,855		689,057		604,331	7,404,733	25.4

SOURCE: Bureau of Census, U.S. Departmen of Commerce. E - Incl. estim. of tonnage based on square foot data.

(1) Annual Rate Year-To-Date is in tons unless otherwise specified in item description.

PRODUCER PRICE INDEXES

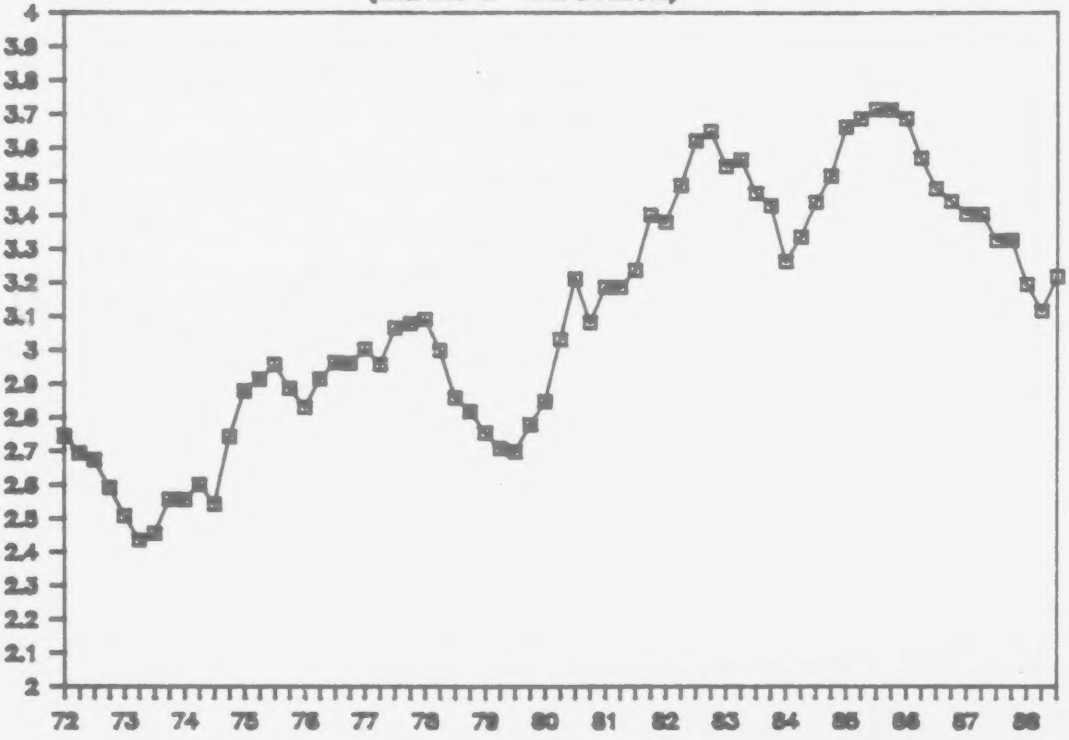
1982 = 100

	1986	1987	AUGUST 1988	SEPTEMBER 1988	OCTOBER 1988	NOVEMBER 1988	Annual Rate Y-T-D 1988	% Change from same Period Last Year
Pulp, Paper and Products except Building Grades	107.5	114.3	126.3	127.6	128.2	128.2	124.4	9.1
Pulp Paper & Products, ex. Building Grades & ex Waste Paper *	106.9	113.2	125.3	126.6	127.3	127.5	123.4	9.3
Total Wood Pulp	94.7	111.5	141.0	142.3	145.2	145.2	136.0	22.6
Total Paper	107.0	111.5	124.7	125.4	127.0	127.5	122.8	10.4
Total Paper, exc. Newsprint	107.9	110.6	125.4	126.1	128.6	128.6	122.8	11.5
Newsprint	103.3	112.3	127.3	127.3	127.3	127.1	127.6	14.0
Total Paperboard	106.5	118.1	134.5	136.3	136.5	136.5	132.9	13.0
Total Paper and Paperboard *	106.8	113.6	127.0	128.8	130.0	130.3	126.0	11.2
Converted Products	109.4	114.7	124.2	125.8	126.1	126.3	122.6	7.1
Waste Paper	142.6	101.4	185.4	185.5	179.2	168.8	185.9	2.7
All Commodities	100.2	102.8	108.0	108.1	108.2	108.3	106.8	4.0
Industrial Commodities	100.0	102.6	107.1	106.9	107.1	107.4	106.1	3.6

SOURCE: Producer Price Indexes: Bureau of Labor Statistics, U.S. Department of Labor * Computed by API

INVENTORIES OF PULP, PAPER & PAPERBOARD

(BILLIONS OF 1982 DOLLARS)



CHEMICAL PAPER GRADE MARKET WOOD PULP

Production of chemical paper grade market pulp rose slightly from October to November, but the level remained well below that of the first nine months of the year. If production remains near its current rate through December, the 1988 total would be in the neighborhood of 7 million short tons, roughly 3% above the 1987 total. However, that total would still be a new high and the operating rate for the year as a whole in the mid-90's, based on the API's recently-released Capacity Survey.

North American and Nordic producers' inventories of these grades of wood pulp showed an upward tick in October and November, but the total was no higher than it was back in mid-1986. These inventories at U.S. mills are still a modest 16 days of supply.

Shipments of chemical paper grade market pulp from U.S. mills in the first eleven months of 1988 were about 3% over their year-ago total. The major gain was a 24% increase in shipments to Japan. Shipments to the domestic market were up by 1%, but total shipments to all other markets just matched their year-ago levels.

MILL INVENTORIES OF PULP, PAPER, AND PAPERBOARD

The cyclical behavior of pulp, paper and paperboard production is dependent on customer usage patterns and variations in market-channel inventory holdings. The market distribution channels for paper industry products comprise several levels of inventory. In particular, inventories are held by mills, converting plants, wholesalers, and final users. Inventories at mills and converting plants are of various stages of fabrication, while those held by wholesalers and final users are generally finished products.

In order to analyze the mill-level dollar value inventory data published by the Department of Commerce, API's Economics Department deflated dollar volume figures by a weighted index of producer price indexes (PPIs) for pulp, paper and paperboard.

The deflated data series measures seasonally-adjusted end-of-quarter inventories of pulp, paper, and paperboard mills stated in billions of 1982 dollars. As can be seen from the graph on page 10, these inventories have followed a long-term upward trend in accordance with the industry's rising output and sales, but there have been significant variations about the long-term trend. For instance, mill inventories declined sharply in the aftermath of the 1981-82 recession, but then began rising again as the economy slowed during mid-1984 and as converters, wholesalers, and final users began to reduce their own holdings of paper and paperboard products.

Continued on Page 12

Inflation-adjusted inventories of pulp, paper and paperboard mills peaked during mid-1985 and then declined through the second quarter of 1988. They edged slightly higher in the third quarter of 1988, but still remained at moderate levels.

These changes in inventories can have large impacts on production levels. For example, the sharp increase in inventories recorded in 1984 had a strong positive impact on production. As producers stopped expanding their inventories at the end of 1984, this support to production disappeared. The decline in inventories in the last half of 1985 acted as a further negative pressure on production; these losses of demand for inventories were major factors in bringing the 1985 production totals below those of 1984.

Although inventories continued to decline in 1986 and 1987, the inventory effect was offset by major increases in user demand. In these years demand was, in fact, so strong that the reduction in inventories was required to augment the available supply. At the same time, end-users probably increased their own inventories to bring them into line with their higher usage totals.

Nevertheless, total inventories held by manufacturers are still low relative to sales. There may be instances where inventories of some specific paper products held by users are relatively high. However, the available data on all inventories in the hands of manufacturers indicate that there is little likelihood of an inventory recession in the near future.

A2500-2

INDUSTRY FACT SHEET

AMERICAN PAPER INSTITUTE, INC.
260 Madison Avenue
New York, New York 10016

December 21, 1988

PRODUCTION (000 TONS)

*	(P) NOVEMBER 1988	* OCTOBER 1988	* NOVEMBER 1987	* FIRST 11 MONTHS 1988	* 1987	% CHANGE YR TO DATE 1988/1987
PAPER GRADES						
Newsprint	493	508	482	5,471	5,343	2.4
Printing & Writing	1,784	1,849	1,728	20,064	18,999	5.6
Uncoated Groundwood (s)	131	146	112	1,477	1,374	7.5
Coated Paper (s)	611	625	587	6,793	6,272	8.3
Uncoated Free Sheet Paper (s)	914	943	907	10,389	10,019	3.7
Thin Paper (s)	20	21	20	208	228	-9.0
Cotton Fiber Paper (s)	13	15	13	149	150	-0.7
Bleached Bristols (s)	95	99	89	1,047	956	9.6
Tissue Paper	455	473	442	5,031	4,851	3.7
Total Pkg & Other Paper	424	435	419	4,764	4,640	2.7
Unbl. Kraft Paper (s)	246	248	243	2,774	2,818	-1.6
Other Paper	178	187	176	1,990	1,822	9.2
TOTAL PAPER	3,157	3,265	3,071	35,329	33,832	4.4
PAPERBOARD GRADES						
Unbleached Kraft Paperboard	1,509	1,576	1,525	17,633	17,274	2.1
Unbleached Kraft Linerboard	1,407	1,479	1,443	16,466	16,152	1.9
Other Unbl. Kraft Paperboard	102	97	81	1,167	1,121	4.1
Semichemical Paperboard	475	472	460	5,231	5,150	1.6
Bleached Paperboard	361	380	344	4,102	4,027	1.9
Recycled Paperboard	714	775	732	8,107	7,821	3.7
TOTAL PAPERBOARD	3,058	3,203	3,061	35,073	34,271	2.3
TOTAL PAPER AND PAPERBOARD	6,214	6,467	6,132	70,402	68,104	3.4

WOOD PULP (ALL GRADES)	OCTOBER 1988	SEPTEMBER 1988	OCTOBER 1987	FIRST TEN MONTHS 1988	1987	% Change 88/87
Dissolving & Special Alpha	99	135	88	1,128	1,066	5.9
Bleached Sulfite)	137	124	127	1,291	1,199	7.6
Unbleached Sulfite)						
Bleached & Semi-Bl. Sulfate	2,155	2,121	2,161	21,811	21,159	3.1
Unbleached Sulfate	1,808	1,800	1,822	18,132	17,857	1.5
Semichemical	367	353	367	3,613	3,554	1.7
Groundwood & Thermomechanical	513	473	501	4,969	4,747	4.7
TOTAL PULP DIVISION DATA	5,078	5,006	5,065	50,944	49,582	2.7

(s) - Shipments
P - Preliminary

DECEMBER 28, 1988

	Full Year		INDUSTRY DATA 1987 - 1988	R	P	Ann. Rate Year - To - Date	% From Same Pd. Last Year
PAPER AND PAPERBOARD -- Tons (000)	1986	1987	September	October	November	1988	
Total Production (API)........: excluding :...	70,889	74,433	6,345	6,467	6,214	76,802	3.4
Total Seasonally Adjusted....:construction:...			6,384	6,374	6,363	76,595	3.1
Imports (including Products).: and wet :..E	11,597	12,454	1,108	1,044	1,068	12,853	2.9
Exports (including Products).: machine :..E	4,593	5,197	509	426	468	5,676	9.9
Apparent Consumption.........: grades :...	77,893 a	81,690 b	6,984	6,392	6,963	83,759 c	2.6
Paper Production % Tonnage Capacity...........	93.2 g	94.0	96.7	95.1	94.4	96.0	-
Paperboard Production % Tonnage Capacity......	94.3 g	96.8	95.8	95.5	93.4	97.1	-
			August	September	October		
IMPORTS.....:Including Construction and :...	11,936	12,837	1,113	1,142	1,077	13,179	2.9
EXPORTS.....: WMB Grades (excl. HPB) :...	4,687	5,304	475	520	437	5,817	9.5
			August	September	October		
MARKET WOOD PULP PRODUCTION - Tons (000)........	7,572	8,114	755	727	646	8,409	4.2
TOTAL WOOD PULP PRODUCTION - Tons (000).........	57,005	59,552	5,265	5,006	5,078	61,132	2.7
WOOD PULP IMPORTS - TONS (000)..................	4,582	4,850	460	379	436	5,038	4.1
WOOD PULP EXPORTS - TONS (000)..................	4,458	4,889	497	518	421	5,443	13.4
RAW MATERIALS CONSUMPTION - Tons (000)							
..PAPER AND BOARD MILLS : excluding :			August	September	October		
Wood Pulp.............:consumption for:.....	57,061	59,475	5,236	4,927	5,158	60,980	2.6
Waste Paper...........:construction & :.....	17,285	18,296	1,611	1,536	1,565	18,830	2.9
TOTAL..........: WMB grades :.....	74,345	77,770	6,847	6,463	6,722	79,810	2.7
PULPWOOD CONSUMPTION Cords(000)Amer.Pulpwd. Assn	91,434	93,946	7,951	7,956	7,908	95,294	1.1
EMPLOYMENT (000)			September	October	November		
Paper and Allied Products..........Total......	673.7	679.0	690.9	691.3	693.8	688.9	1.5
Pulp, Paper and Board Mills........Total.....E	248.1	244.9	243.7	243.0	245.5	245.6	0.3
AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS ($)			September	October	November		
Paper and Allied Products......................	11.18	11.42	11.70	11.65	11.69	11.62	1.8
Pulp, Paper Mills...........................E	13.63	14.00	14.47	14.41	14.45	14.27	2.0
Paperboard Mills............................E	13.98	14.30	14.53	14.62	14.60	14.47	1.3
CAPITAL EXPENDITURES: PAPER & ALLIED PRODUCTS			1988 Q1	1988 Q2	1988 Q3		
(Rept. by US Dept. of Com., Ann. Rates, Bill.$)*	8.77	9.01	9.96	11.09	11.34	11.09 Y	23.1
INDEX OF OUTPUT PER MAN-HOUR (1977=100)..........			September	October	November		
:IN PULP, PAPER :...Production Workers..........	131.2	140.1	144.9	145.4	143.1	144.4	3.2
:AND BOARD MILLS:...All Employees...............	128.6	136.7	141.5	141.2	139.2	140.9	3.2
PAPER AND ALLIED PRODUCTS (Million $)			August	September	October		
Industry Shipments (Dept. of Commerce)*........	103,916	118,855	10,575	10,550	10,686	127,200	8.4
Pulp, Paper and Paperboard*..................	44,033	51,518	4,709	4,711	4,756	57,022	12.7
Inventories (End of Period) - Total Industry*..	10,429	11,284	11,647	11,775	11,848	11,848	8.2
Pulp, Paper and Paperboard*..................	4,115	4,266	4,116	4,185	4,205	4,205	2.3
			1987 Q4	1988 Q1	1988 Q2		
Sales (Corporations Only)......................	74,844	95,576 RS	25,504	27,227	27,344	106,767	13.6
Earnings (Corporations Only)...................	3,280	5,520 RS	1,744	2,195	2,227	8,221	53.2
Depreciation (Corporations Only)...............	3,389	4,279 RS	1,169	1,124	1,162	4,607	7.0
Net Worth (Corporations Only)..................	31,221	39,217 RS	40,213	41,621	43,015	43,015	13.1
PRICE INDEXES (Bureau of Labor Stats)1982=100			September	October	November		
Pulp, Paper & Products, ex. Building Grades....	107.5	114.3	127.6	128.2	128.2	124.4	9.1
Wood Pulp......................................	94.7	111.6	142.3	145.2	145.2	135.9	22.5
Waste Paper....................................	142.6	181.4	185.5	179.2	168.8	185.7	2.6
Paper..	107.0	111.5	125.4	127.0	127.5	122.7	10.4
Paperboard.....................................	106.5	118.1	136.3	136.5	136.5	132.9	13.0
PAPER DEMAND (INDEXED: 1977=100)			September	October	November		
Total Paper Production *......................	128.0	133.8	139.8	140.0	140.3	139.0	4.1
Paper New Supply *............................	133.7	140.6	146.7	144.6	145.7	145.1	3.3
Demand Indicators - (Weighted Average) *.....	146.4	154.5	166.8	167.8	167.7	163.5	6.1
Production of Nondurable Goods *...(21.2%).	130.1	136.8	145.3	146.2	146.8	143.6	5.3
Disposable Income ....*.(23.9%)	127.8	130.0	135.6	137.4	136.8	134.8	3.9
Total Printing and Publishing *...(54.9%).	160.9	172.0	188.7	189.3	189.2	183.7	7.0
Trend Factor	------------------------- Not Available -------------------------						
PAPERBOARD DEMAND (INDEXED: 1977=100)							
Total Paperboard Production *.................	121.9	129.1	130.9	130.2	129.5	131.5	2.0
Production for Domestic Use	118.7	126.5	128.8	127.6	128.3	128.8	1.9
Demand Indicators - (Weighted Average) *.....	121.9	125.9	133.6	134.8	135.3	132.1	5.2
Production of Consumer Goods *...(62.06%)	124.1	127.7	134.8	136.4	136.8	133.5	4.7
Production of Equipment *...(5.75%)	143.7	148.8	160.4	160.2	160.4	158.1	6.5
Production of Materials *...(32.19%)	113.8	118.3	126.5	127.1	128.0	124.9	6.1
Trend Factor	------------------------- Not Available -------------------------						
NEWSPRINT MARKETS			August	September	October		
Consumption by Publishers - Tons (000).........	13,158	13,583	1,097	1,154	1,254	13,501	0.7
Newspaper Pub. and Printing Empl. Total(000)...	461	471	477	477	479	477	1.7
PRINTING AND FINE PAPER MARKETS							
MAGAZINE ADVERTISING PAGES (PIB, Inc.)...........	154,317	162,959	10,812	16,102	17,264	161,717	1.6
WHOLESALERS SALES AND INVENTORIES (Million $)							
Total Paper & Pap. Prdcts.,ex Wallpaper..Sales	38,245	44,741	4,706	4,689	4,630	52,066	19.0
Inventories (End of Period).	3,577	3,850	4,207	4,236	4,312	4,312	14.3
FIBRE BOX DATA (Fibre Box Association)			September	October	November		
Fibre Box Shipments (Million square feet).......	283,921	297,827	26,070	27,806	24,876	309,719	3.4
Container'bd Inventory at Mill & Plant(000Tons).	2,238	2,486	2,673	2,519	2,472	2,472	-0.6
RETAIL TRADE (Billion $)			September	October	November		
Total Retail Sales *..........................	1,437	1,509	134	137	138	1,601	6.4
Nondurable Goods Stores Sales *..............	899	951	85	85	86	996	5.0
GENERAL ECONOMIC DATA			September	October	November		
TOTAL INDUSTRIAL PRODUCTION (INDEX 1977 = 100)*..	125.1	129.8	138.6	139.3	139.9	136.9	5.8
PRODUCER PRICES(ALL COMMODITIES)(INDEX 1982=100).	100.2	102.8	108.1	108.2	108.3	106.8	4.0
CONSUMER PRICES (ALL ITEMS) (INDEX 1982-4=100)...	109.6	113.6	119.8	120.2	120.3	118.1	4.0
			August	September	October		
TOTAL CONSUMER CREDIT OUTSTANDING - (Billion $)..	586	624	654.7	658.4	660.8	660.8	8.2
GROSS NATIONAL PRODUCT - ANNUAL RATE (Billion$)..			1988 Q1	1988 Q2	1988 Q3		
G.N.P. or Expenditure - Current $..............	4,240	4,527	4,725	4,824	4,909	4,819	7.5
G.N.P. or Expenditure - 1982 $.................	3,722	3,847	3,956	3,985	4,011	3,984	4.2

lb/capita			
Pap&Papbd	Othr	Totl	Popul(mil)
.a - 645 +	18 =	663	241.6
.b - 670 +	17 =	687	243.9
.c - 682 +	17 =	699	245.5

.E - Last month estimated by API

f - Wood Pulp Production excludes def., explo. & scrngs.
g - Adjusted for holiday shutdowns

Q - Quarter

R - Revised
Y - Full year estim. by U.S. Dept. of Com.
RS - Revised Series
* - Seasonally Adjusted.

A2500-2
2/9/89

Paper
Paperboard
& Wood Pulp

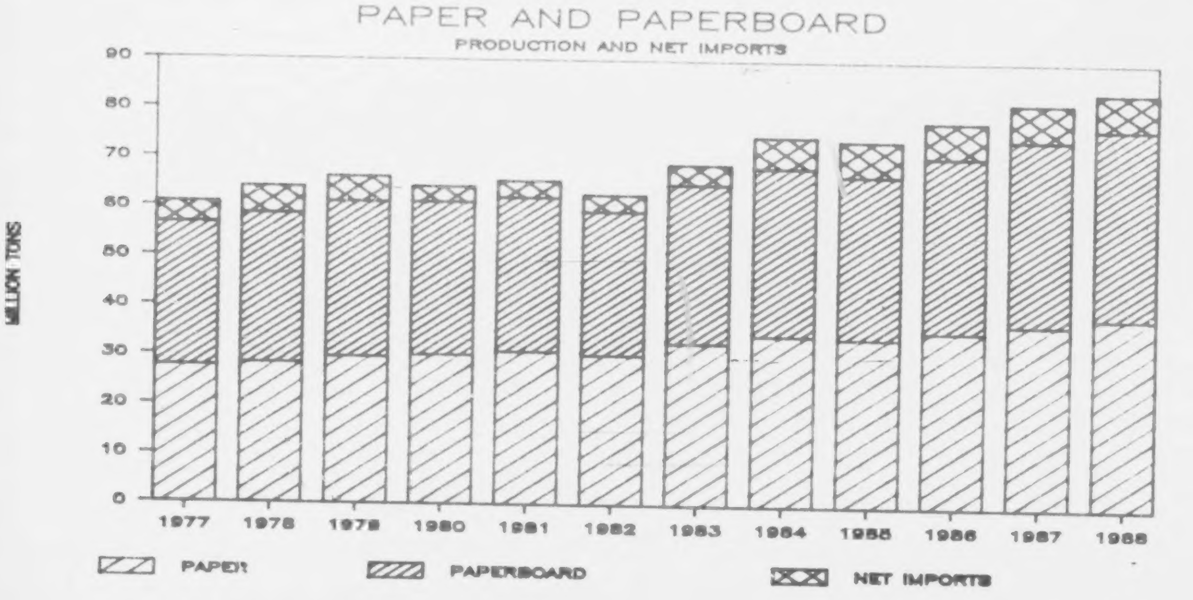
MONTHLY STATISTICAL SUMMARY - Vol. 67 No.1 JANUARY 1989

THE PAPER INDUSTRY IN 1988

Preliminary data indicate that paper and paperboard production in 1988 climbed to a record-high 76,748,000 tons, 3.1% ahead of the 1987 total, marking the third consecutive year that production achieved a new high, and the fifth in the past six years. Market wood pulp production, at 8,467,000 tons, rose 4.4% above its 1987 total. This, too, was the third consecutive year that production achieved a new high, and the fifth in the past six years.

Paper and paperboard production each showed similar six-year growth patterns. However, in 1988 the increase in paper production outpaced that of paperboard. Paper production, at 38,519,000 tons, gained 4.1% over its 1987 total; paperboard production, at 38,230,000 tons, was up by 2.1%.

The stacked bar graph below charts the production of paper, paperboard and net imports (imports less exports) separately, along with the total, which equals new supply, for the period 1977 to 1988. Total paper and paperboard production grew by 35% from 1977 to 1988, averaging 2.8% per year. New supply grew by 38% (3.0% per year), closely matching the 35% gain in the real gross national product.



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Grade details: The major growth sectors, as noted in our earlier reports, were in the printing and writing papers, specialty packaging and special industrial papers (reported as "Other Paper" in the table on page 3) and recycled paperboard.

Among the printing-writing papers, the steepest growth was evident in bleached bristols -- used largely for tags, file folders, index cards and for printing -- uncoated groundwood and coated papers. The markets for groundwood papers, largely catalogs, directories and commercial printing, were particularly strong, as evidenced by the 24% increase in the unfilled order backlog. Imports of uncoated groundwood papers in the first 11 months of 1988 averaged 1.4 million tons per year, 10% above their comparable year-earlier total. These imports accounted for nearly half the 1988 new supply total.

The strength in the coated paper markets can be traced to demand by publishers of magazines and other periodicals, book publishers and commercial printers. Shipments of coated papers amounted to 7.4 million tons, compared to the reported capacity total of 7.8 million tons. Coated paper imports, at 802,000 tons per year for the first 11 months of 1988, accounted for about 10% of the total new supply.

Shipments of the largest printing-writing paper grade, uncoated free sheet papers, amounted to 11.4 million tons, 3.5% above their 1987 total, equivalent to 95% of the reported capacity total. Strongest demand came from book publishers, with demand from the other major markets closer to the average gain for these papers.

The strength in recycled paperboard production reflected gains in boxboard demand, with total production of boxboard for domestic use up 3.3% from its 1987 level. Production of containerboard for domestic use -- largely used in the manufacture of corrugated shipping containers -- rose by 2.2%. Fibre box shipments, at 307 billion sq. ft., were 3.2% above their year-ago total. Inventories of containerboard at mills and plants as of the year-end were equivalent to 6.2 weeks of supply, only slightly above their year-ago level of 5.9 weeks of supply.

CHEMICAL PAPER GRADE MARKET WOOD PULP

Both production and shipments of chemical paper grade market pulp reached all-time highs in 1988. U.S. production of chemical paper grade market pulp advanced 4.2%, to 7.09 million short tons, while shipments rose 2.9% to 7.06 million tons.

Shipments of chemical paper grade market pulp from U.S. producers to the domestic market increased 2.1% last year to 2.9 million tons. By comparison, U.S. shipments to Japan -- reflecting, in part, the strength of the yen -- soared 24.0% to 1.0 million tons, while shipments from the U.S. to Western Europe sagged 0.9% to 1.7 million tons.

Continued on Page 11

PAPER AND PAPERBOARD STATISTICS

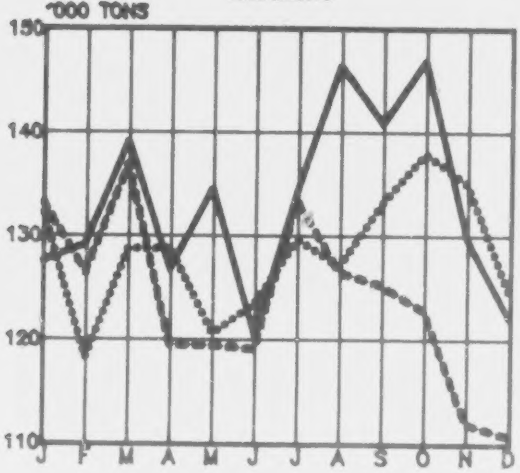
PRODUCTION, SHIPMENTS AND ORDERS
(Thousands of Short Tons)

	YEAR 1986	YEAR 1987	SEPTEMBER 1988	OCTOBER 1988 (R)	NOVEMBER 1988 (P)	DECEMBER 1988 (P)	Annual Rate Y-T-D 1988	% Change From same Period Last Year
PAPER								
Newsprint - Production	5,630	5,842	492	508	493	512	5,982	2.4
- Shipments	5,636	5,854	493	508	502	523	5,969	2.0
Printing & Writing Sum	19,660	20,780	1,829	1,846	1,788	1,794	21,858	5.2
Groundwood Paper - Shipments	1,540	1,485	141	147	130	122	1,598	7.6
- New Orders	1,553	1,529	143	145	113	174	1,627	6.4
-Unfilled Orders	124	164	173	168	145	203	203	23.6
Coated Papers - Shipments	6,263	6,860	606	625	606	583	7,371	7.5
- New Orders	6,334	7,066	584	666	575	580	7,416	5.0
- Unfilled Orders	469	708	729	749	729	734	734	3.7
Unctd Free Sheet - Shipments	10,410	10,977	957	944	922	958	11,356	3.5
- New Orders	10,495	11,184	927	937	880	1,019	11,395	1.9
- Unfilled Orders	587	773	777	745	717	804	804	4.0
Thin Papers - Shipments	271	251	16	21	21	21	229	-8.7
Cotton Fiber Paper - Shipments	152	163	13	15	13	14	163	0.2
Bleached Bristols - Production	1,033	1,044	96	94	97	97	1,141	9.2
Tissue Paper - Production	5,095	5,301	458	476	449	450	5,480	3.4
Total Packaging & Other Paper	5,117	5,072	440	435	439	421	5,198	2.5
Unbl. Kraft Paper - Shipments	3,303	3,079	261	248	254	256	3,037	-1.4
Other Paper - Production	1,814	1,993	180	186	185	165	2,162	8.5
TOTAL PAPER-Production-Unadj.	35,510	36,994	3,219	3,264	3,169	3,177	38,519	4.1
-Production-S.A.			3,212	3,199	3,223	3,195	38,516	3.9
PAPERBOARD - PRODUCTION								
Solid Wood Pulp Furnish	27,336	28,944	2,417	2,427	2,344	2,494	29,459	1.8
Total Unbl. Kraft Paperboard	17,689	18,913	1,590	1,576	1,598	1,635	19,268	1.9
Unbl. Kraft Linerboard (1)	16,402	17,682	1,481	1,479	1,412	1,526	17,996	1.8
Production for Export	2,246	2,318	185	192	153	212	2,353	1.5
Other Unbl. Kraft Paperboard	1,287	1,232	109	97	97	110	1,272	3.2
Semichemical Paperboard	5,376	5,600	472	472	475	478	5,708	1.9
Production for Export	213	189	11	12	14	10	136	-28.3
Solid Bleached Paperboard	4,222	4,420	355	380	361	381	4,483	1.4
Production for Export	569	619	47	51	48	50	601	-3.0
Recycled Paperboard	8,092	8,506	711	775	714	663	8,771	3.1
Production for Export	70	75	3	2	3	2	60	-20.4
TOTAL PAPERBOARD-Prod.-Unadj.	35,379	37,439	3,127	3,203	3,058	3,157	38,230	2.1
- Containerboard Prod. (Dom. Use)	21,426	23,016	1,947	1,955	1,906	1,968	23,531	2.2
- Boxboard Prod. (Dom. Use) (2)	5,863	6,026	498	529	505	513	6,228	3.3
- All Other P'bd Prod. (D.U.) (2)	4,992	5,196	436	462	429	403	5,322	2.4
- Total Paperbd Prod. for Export	3,097	3,201	247	257	218	274	3,149	-1.6
TOTAL PAPERBOARD PROD.- S.A.			3,182	3,187	3,122	3,129	38,198	2.3
TOTAL PAPER AND PAPERBOARD Production - Unadj. (R)	70,889	74,433	6,346	6,467	6,227	6,334	76,748	3.1
Production - S.A.			6,394	6,386	6,355	6,324	76,714	3.1

(1) Includes all exports of kraft paperboard. R - Revised P - Preliminary S.A. - Seasonally Adjusted
(2) Data for unbl. kraft folding boxboard incl. in All Other P'bd.

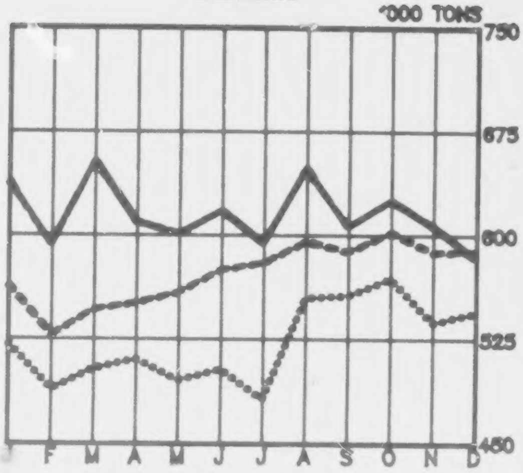
GROUNDWOOD PAPER, UNCOATED

SHIPMENTS



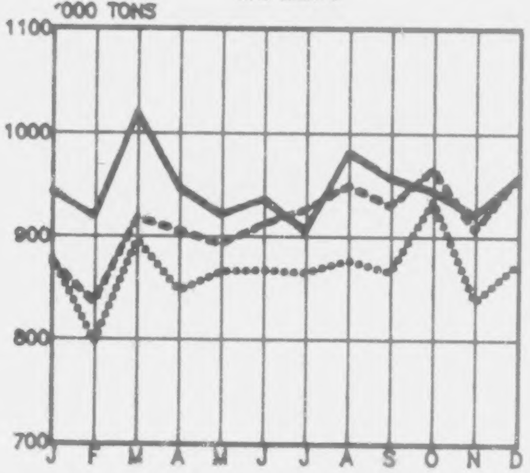
COATED PAPER

SHIPMENTS



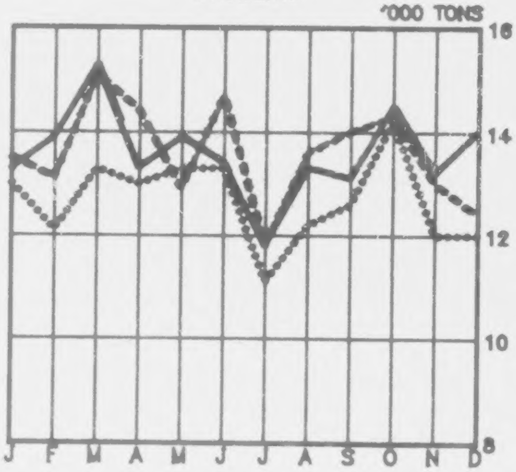
UNCOATED FREE SHEET PAPERS

SHIPMENTS



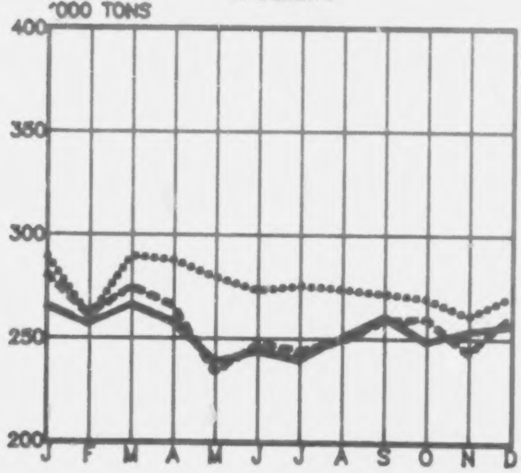
COTTON FIBER PAPER

SHIPMENTS



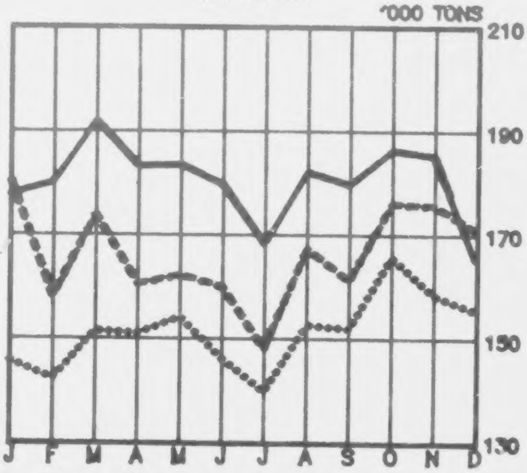
UNBLEACHED KRAFT PACKAGING AND INDUSTRIAL CONVERTING PAPER

SHIPMENTS



OTHER PAPER

PRODUCTION



1986 ········· 1987 ------ 1988 ——

WOOD PULP STATISTICS
(Thousands of Tons)

		YEAR 1986	YEAR 1987	AUGUST 1988	SEPTEMBER 1988	OCTOBER 1988	NOVEMBER 1988	Annual Rate Y-T-D 1988	% Change from same Period Last Year
TOTAL WOOD PULP						R	P		
Total Wood Pulp	- Production	57,005	59,552	5,265	5,006	5,078	4,967	60,994	2.8
	- Imports	4,582	4,850	460	379	436	425	5,344	4.2
	- Exports	4,458	4,889	497	513	421	420	5,406	13.6
	- New Supply	57,129	59,513	5,227	4,867	5,093	4,973	60,632	2.0
Dissolving Pulp	- Production	1,258	1,312	119	135	99	112	1,353	3.1
	- Imports	255	198	24	19	15	31	243	18.1
	- Exports	711	752	63	81	74	73	847	14.2
	- New Supply	801	757	81	73	40	69	750	-3.5
Paper Grades Chemical Pulp	- Production	46,081	48,293	4,272	4,045	4,100	4,007	49,352	2.7
	- Imports	4,220	4,456	404	338	374	366	4,423	-0.6
	- Exports	3,689	4,111	431	434	344	340	4,510	12.9
	- New Supply	46,612	48,637	4,244	3,949	4,130	4,033	49,265	1.5
Groundwood and Thermo-Mech.	- Production	5,476	5,702	504	473	513	489	5,954	4.6
	- Imports	108	197	12	21	47	29	378	104.9
	- Exports	59	26	3	1	4	6	49	108.7
	- New Supply	5,525	5,872	532	492	557	511	6,283	7.3
Semi-Chemical	- Production	4,191	4,246	171	353	167	159	4,334	1.7
	- Imports								
	- Exports								
	- New Supply	4,191	4,246	171	353	167	159	4,334	1.7
MARKET WOOD PULP									
Total Market Wood Pulp	- Production	7,572	8,114	755	727	646	684	8,391	4.0
	- Imports	3,122	3,235	325	281	285	289	3,462	7.9
	- Exports	4,470	4,820	442	420	380	369	4,865	4.0
	- New Supply	6,224	6,529	638	588	551	604	6,988	6.0
Dissolving Pulp	- Production	1,251	1,308	119	135	99	112	1,351	3.2
	- Imports	212	154	22	18	9	13	201	26.3
	- Exports	718	775	63	93	56	62	774	3.2
	- New Supply	745	687	77	59	52	58	777	8.4
Paper Grades Chemical Pulp	- Production	6,315	6,806	636	593	547	572	7,040	4.2
	- Imports	2,831	2,975	294	254	262	267	3,112	5.5
	- Exports	3,752	4,045	379	327	324	307	4,091	4.1
	- New Supply	5,394	5,736	551	520	485	532	6,061	4.9
Groundwood Pulp and All Other	- Production	5	0	0	0	0	0	0	0
	- Imports RS	79	106	10	9	15	1	150	47.8
	- Exports	0	0	0	0	0	0	0	0.0
	- New Supply	85	106	10	9	15	1	150	47.8

SOURCES: Total Wood Pulp Production & Market Wood Pulp Production, Imports & Exports - Pulp Division, Pulp, Materials and Technology Group, API. Total Wood Pulp Imports & Exports - Department of Commerce.

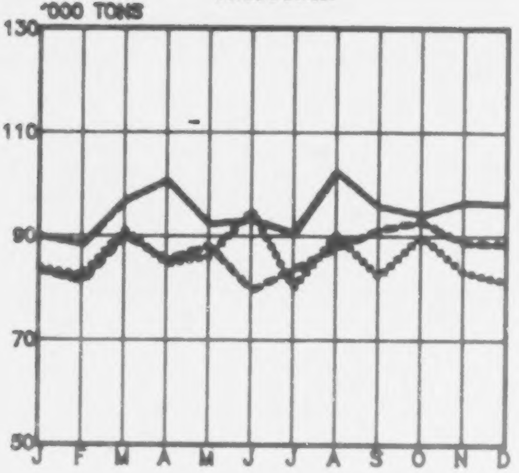
FIBROUS RAW MATERIALS
(Thousands of tons)

	YEAR 1986	YEAR 1987	AUGUST 1988	SEPTEMBER 1988	OCTOBER 1988	NOVEMBER 1988	Annual Rate Y-T-D 1988	% Change from same Period Last Year
CONSUMPTION AT PAPER & PAPERBOARD MILLS					R	P		
Total	74,296	77,753	6,862	6,480	6,759	6,525	79,772	2.8
Total Wood Pulp	57,061	59,474	5,236	4,927	5,158	4,956	60,842	2.6
Waste Paper	17,236	18,279	1,626	1,553	1,601	1,569	18,930	3.2
INVENTORIES								
Chemical Paper Grade Market Pulp								
Producers' Own-Use Inventories	174	170	139	198	161	170	170	5.2
Producers' Market Inventories	284	224	247	272	275	301	301	3.8
Consumers' Purchased Inventories #	496	529	634	628	583	591	591	18.3
Waste Paper at Paper & Bd. Mills	838	922	971	1,069	1,055	1,059	1,059	24.2
Days of Supply at Pulp Mills of Chemical Paper Grade Mkt Pulp	16	12	13	14	15	17	17	13.3

SOURCES: Wood Pulp Data, Pulp Division, Pulp, Materials and Technology Group, API. Waste Paper Data, Paper Recycling Committee, API. # Includes all grades of wood pulp.
P - Preliminary; R - Revised; (0) - Indicates zero to five-hundred short tons RS - 1988 Revised Series

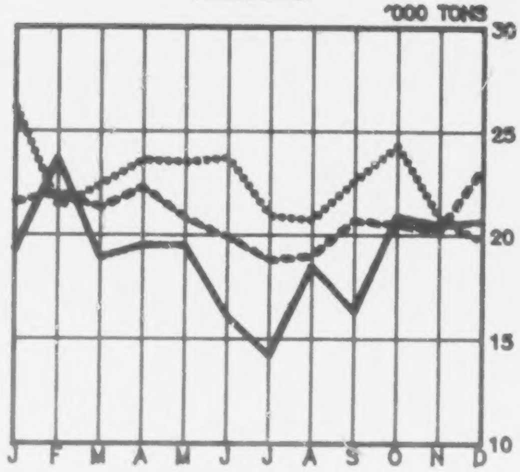
BLEACHED BRISTOLS

PRODUCTION



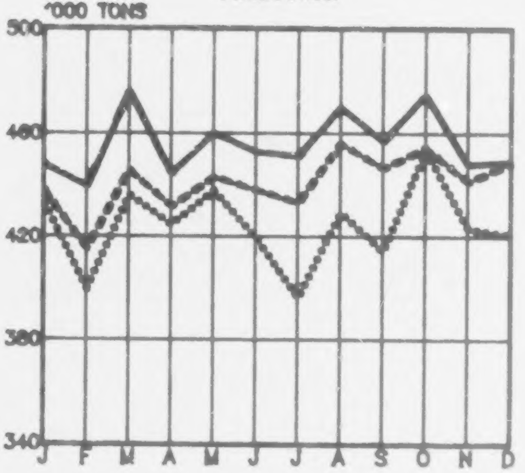
THIN PAPER

PRODUCTION



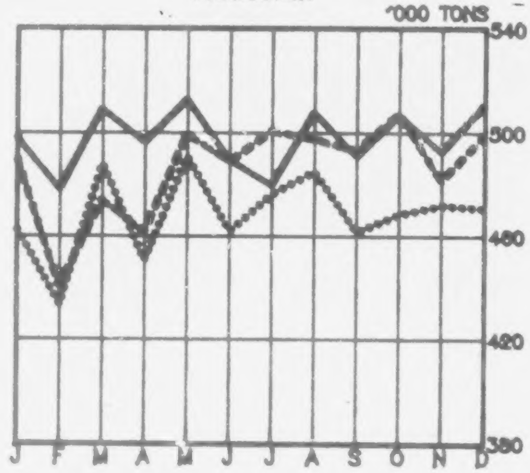
TISSUE PAPER

PRODUCTION



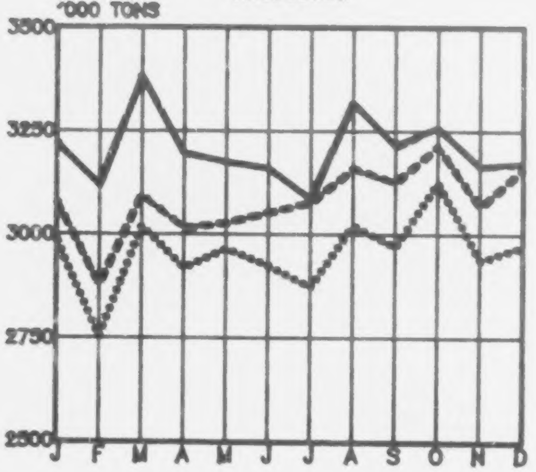
NEWSPRINT

PRODUCTION



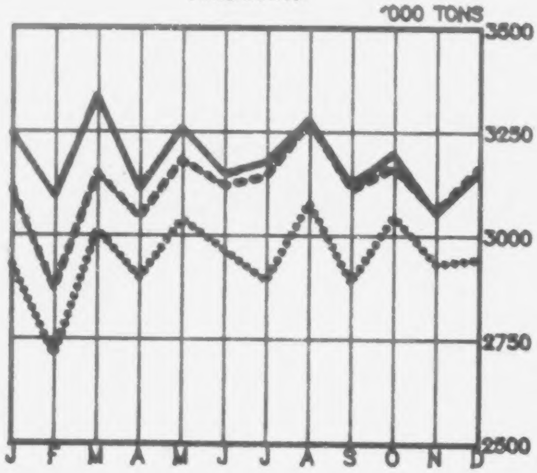
TOTAL PAPER

PRODUCTION



TOTAL PAPERBOARD

PRODUCTION



1986 ········ 1987 ▬▬▬▬ 1988 ——

FIBROUS RAW MATERIALS

(Thousands of Standard (128 cubic foot) Cords)

PULPWOOD		YEAR 1986	YEAR 1987	AUGUST 1988	SEPTEMBER 1988	OCTOBER 1988	NOVEMBER 1988	Annual Rate Y-T-D 1988	% Change From Same Period Last Year
Total U.S.	- Total Receipts	90,943	94,312	8,007	8,080	8,245	7,889	95,091	1.0
	- Total Consumpt	91,434	93,946	7,951	7,956	7,908	7,887	95,235	1.8
	- Residues *	32,755	32,899	2,769	2,723	2,869	2,770	33,135	0.6
	- Inventories	4,794	5,096	4,325	4,484	4,726	4,790	4,790	-8.1
So. Atlantic	- Total Receipts	29,513	31,147	2,653	2,688	2,731	2,697	31,414	1.1
	- Total Consumpt	29,425	30,915	2,652	2,686	2,650	2,630	31,474	2.2
	- Residues *	9,345	9,553	795	799	903	832	9,831	3.2
	- Inventories	994	1,211	997	1,048	1,134	1,176	1,176	-5.8
Northeast	- Total Receipts	7,277	6,941	623	622	645	578	7,089	2.4
	- Total Consumpt	7,227	7,109	599	549	565	591	7,217	1.5
	- Residues *	1,419	1,543	150	138	139	155	1,651	7.2
	- Inventories	484	594	429	482	507	506	506	[illegible]
South Central	- Total Receipts	31,790	33,650	2,835	2,914	2,825	2,824	33,542	0.2
	- Total Consumpt	32,113	33,059	2,789	2,876	2,706	2,760	33,398	1.8
	- Residues *	9,792	9,992	830	816	836	835	9,872	-1.5
	- Inventories	926	1,294	987	1,030	1,147	1,196	1,196	-9.2
North Central	- Total Receipts	6,571	6,552	556	545	563	475	6,826	4.5
	- Total Consumpt	6,730	6,764	565	519	568	573	6,950	2.7
	- Residues *	1,042	1,263	118	116	100	94	1,344	10.9
	- Inventories	892	830	803	825	852	768	768	-5.8
West	- Total Receipts	15,792	16,022	1,340	1,311	1,481	1,315	16,221	0.3
	- Total Consumpt	15,939	16,099	1,346	1,326	1,419	1,333	16,196	0.6
	- Residues *	11,159	10,548	876	854	891	854	10,438	-1.9
	- Inventories	1,498	1,167	1,109	1,099	1,386	1,144	1,144	-13.6

* - Consumption of Residues in Cord Equivalents. SOURCE: American Pulpwood Association 23-Jan-89

UNITED STATES TRADE WITH CANADA

IMPORTS FROM CANADA

	YEAR 1987 Tons	YEAR 1987 ($000's)	OCTOBER 1988 Tons	OCTOBER 1988 ($000)	NOVEMBER 1988 Tons	NOVEMBER 1988 ($000)	Annual Rate Y-T-D 1988 Tons	% Change From Same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	15,382	1,736	1,424	107	85	10	40,322	179.3
Pulpwood chips	487,147	15,250	65,490	2,264	72,587	2,244	853,762	86.0
Wood Pulp, Total	4,320,114	1,842,019	390,161	217,226	380,022	211,395	4,148,621	0.5
Waste Fibrous Materials, Total	186,286	36,423	18,875	4,067	15,862	3,011	234,255	27.2
Paper, Board & Products, Total	10,588,047	5,093,903	879,346	486,482	895,721	497,199	10,750,830	1.0
Paper, Paperboard, Wet Machine Bd. & Constr. Paper & Bd.	10,441,472	4,845,663	864,915	462,600	880,596	473,775	10,599,182	1.0
Paper, Paperboard & Products	10,365,412	5,027,943	856,245	479,713	873,847	490,715	10,526,139	1.1
Paper & Paperboard, Only	10,218,838	4,779,702	841,814	455,830	858,722	467,291	10,374,491	1.1
Paper, Total	9,961,198	4,698,148	817,476	446,462	831,839	456,787	10,102,711	0.9
Newsprint	8,588,309	3,956,147	679,509	358,949	683,960	360,903	8,471,132	-1.9
Printing, Writing & Rel. Pap.	1,111,641	601,979	114,833	73,114	124,007	80,480	1,340,694	20.8
Pack. & Ind. Conv. Paper	215,514	102,986	18,852	10,561	19,085	10,718	236,064	9.5
Special Industrial Paper	5,478	9,844	234	374	716	1,317	4,841	-11.0
Tissue Paper	40,257	27,194	4,049	3,465	4,071	3,370	49,951	27.1
Paperboard, Total	257,639	81,554	24,338	9,368	26,883	10,504	271,780	6.6
Convtd Paper&Paperbd Products	146,575	248,241	14,431	23,882	15,125	21,424	151,648	2.6
Wet Machine Board	2,890	1,977	298	241	203	149	3,050	3.2
Construction Paper & Board	219,744	63,983	22,803	6,528	21,671	6,335	221,641	-1.9

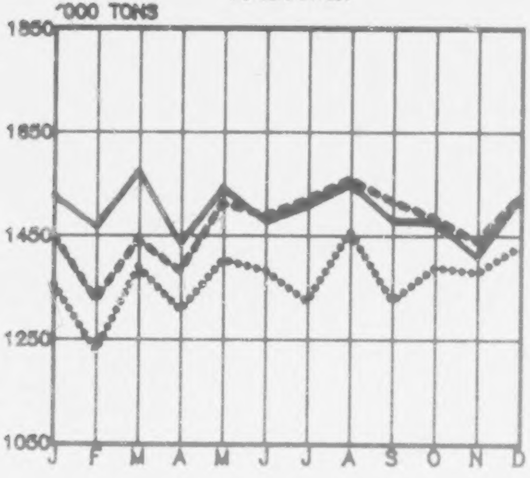
EXPORTS TO CANADA

	YEAR 1987 Tons	YEAR 1987 ($000's)	OCTOBER 1988 Tons	OCTOBER 1988 ($000)	NOVEMBER 1988 Tons	NOVEMBER 1988 ($000)	Annual Rate Y-T-D 1988 Tons	% Change From Same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	12,617	770	898	63	0	0	11,749	1.1
Pulpwood chips	61,575	4,014	864	40	1,303	29	35,604	-45.0
Wood Pulp, Total	198,921	75,956	18,915	8,786	28,526	10,807	277,936	36.1
Cotton Pulp & Other Pulp	58,288	14,775	7,978	2,416	4,828	1,673	77,751	42.3
Waste Paper	286,898	30,592	26,233	3,054	21,297	2,402	329,103	18.1
Paper, Board & Products, Total	957,434	598,429	76,852	57,178	77,093	58,426	1,174,154	22.3
Paper, Paperboard, Wet Machine Bd. & Constr. Paper & Bd.	712,494	398,256	57,160	37,208	54,398	36,325	896,250	25.8
Paper, Paperboard & Products	920,755	581,481	72,958	55,689	74,267	56,922	1,137,855	23.3
Paper & Paperboard, Only	675,815	381,308	53,266	35,719	51,572	34,821	859,951	27.3
Paper, Total	297,585	250,807	27,708	24,303	25,813	22,512	344,373	15.7
Newsprint	4,525	3,728	988	850	535	456	5,982	29.0
Printing, Writing & Rel. Pap.	151,716	125,667	13,169	14,095	13,034	12,531	169,791	12.5
Pack. & Ind. Conv. Paper	25,826	17,841	2,928	2,263	3,853	2,912	40,419	58.4
Special Industrial Paper	110,107	97,080	9,946	6,316	7,591	5,998	120,917	8.9
Tissue Paper	5,411	6,490	678	779	801	616	7,264	29.8
Paperboard, Total	378,230	130,501	25,558	11,416	25,759	12,309	515,577	36.5
Convtd Paper&Paperbd Products	244,940	200,173	19,692	19,971	22,695	22,101	277,904	12.4
Wet Machine Board	10,212	4,828	210	105	340	141	6,375	-39.8
Construction Paper & Board	26,467	12,120	3,684	1,384	2,486	1,363	29,925	11.7

SOURCE: Bureau of Census, Department of Commerce . E - Estimate of tonnage based on square foot data 23-Jan-89

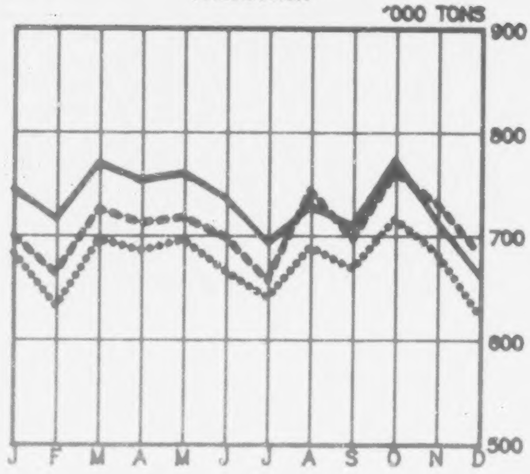
UNBLEACHED KRAFT LINERBOARD

PRODUCTION



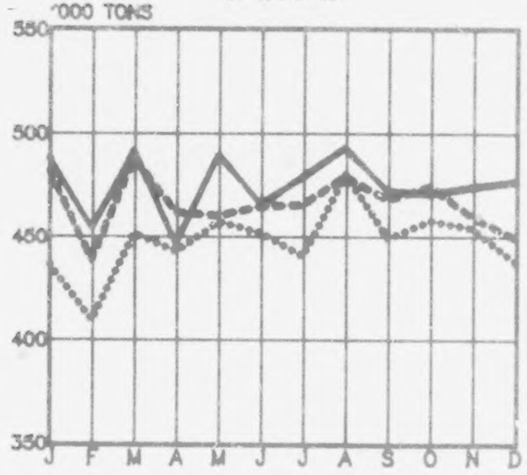
RECYCLED PAPERBOARD

PRODUCTION



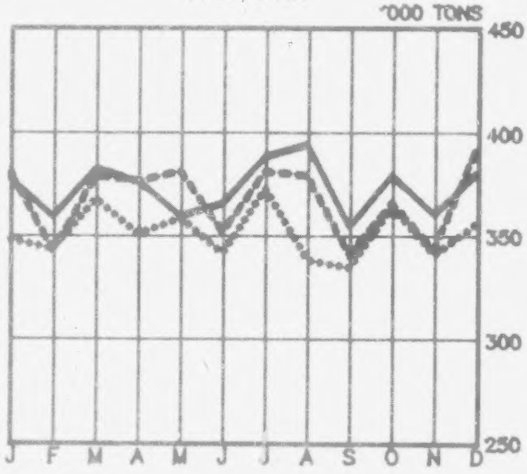
SEMICHEMICAL PAPERBOARD

PRODUCTION



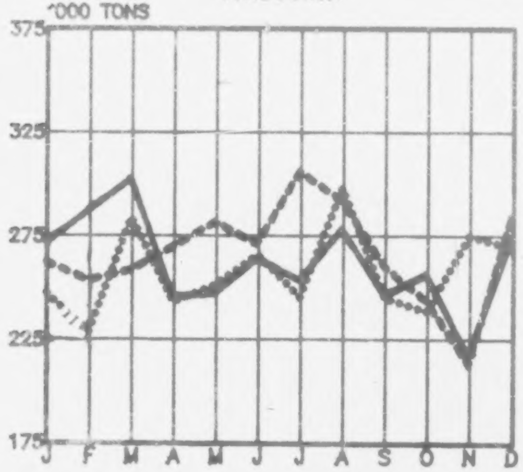
SOLID BLEACHED PAPERBOARD

PRODUCTION



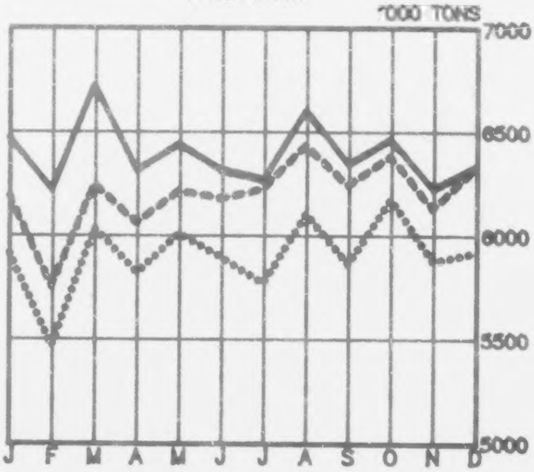
PAPERBOARD FOR EXPORT

PRODUCTION



TOTAL PAPER AND PAPERBOARD

PRODUCTION



1986 ········ 1987 ━━━━━ 1988 ━━━━━

PULP PAPER AND PAPERBOARD IMPORTS AND EXPORTS DATA

IMPORTS

	YEAR 1987 Tons	YEAR 1987 $000	1988 OCTOBER Tons	1988 OCTOBER $000	1988 NOVEMBER Tons	1988 NOVEMBER $000	(1) Annual Rate YTD 1988 Tons	% Change from same Period Last Year
Pulpwood Roundwood (cords)	15,432	1,746	1,600	111	85	10	40,516	179.6
Pulpwood Chips	525,629	15,476	65,518	2,274	72,882	2,255	866,164	72.9
Total All Imports	17,891,172	9,043,600	1,534,489	921,049	1,526,124	920,373	18,464,821	3.0
Wood Pulp Total	4,850,238	2,069,389	435,547	243,642	425,283	240,830	5,044,327	4.2
Waste Paper	127,398	19,231	12,865	2,160	11,803	1,776	165,075	32.5
Other Fibrous Materials	76,491	27,287	8,913	3,020	7,967	2,718	95,030	22.8
Paper Board & Products Total	12,837,046	6,927,693	1,077,165	672,226	1,081,072	675,049	13,160,389	2.2
Paper Paperboard Wet Machine Bd. & Construction Paper & Board	12,435,486	5,995,122	1,034,949	580,727	1,042,391	588,385	12,728,653	2.0
Paper Ppbd & Prds ex Cnst&WMB	12,527,598	6,828,736	1,044,009	661,825	1,047,600	663,304	12,827,808	2.1
Paper & Paperboard Only	12,126,039	5,896,165	1,001,793	570,326	1,008,919	576,640	12,396,078	1.9
Paper Total	11,765,208	5,768,703	970,388	558,084	975,355	563,248	12,048,247	2.1
Newsprint	8,986,548	4,121,327	703,213	369,994	706,871	371,870	8,784,225	-2.7
Printing & Writing	2,410,216	1,412,458	232,989	163,107	234,641	166,231	2,851,558	18.9
Uncoated Groundwood	1,269,774	654,767	116,699	70,299	101,647	60,649	1,404,396	10.5
Coated Print.& Impreg. Pap.	674,531	467,865	59,662	50,171	67,777	56,719	802,534	20.1
Uncoated Free Sheet	417,395	249,943	51,385	38,063	61,981	45,717	582,799	41.9
Uncoated Book	210,624	119,775	19,178	14,236	26,560	19,755	256,038	17.9
Writing and Similar Paper	206,771	130,168	32,207	23,828	35,421	25,962	326,761	68.9
Thin (except Cigarette)	47,567	38,831	5,215	4,551	3,152	3,037	57,289	19.2
Bristols	950	1,052	28	23	84	108	4,539	369.3
Total Pkg & Other Paper	310,324	191,620	29,702	21,086	29,660	21,604	350,237	12.0
Unbleached Kraft Paper	168,420	69,828	12,261	5,960	13,152	6,437	167,395	-2.0
Other Pkg. & Indust. Paper	141,904	121,792	17,441	15,126	16,508	15,167	182,842	28.7
Tissue	58,121	43,299	4,485	3,897	4,184	3,543	62,227	6.8
Paperboard, Total	360,831	127,461	31,405	12,242	33,564	13,392	347,831	-4.0
Test or Containerboard	80,981	29,352	9,439	3,971	9,320	1,820	85,824	7.3
Semi-Chemical Corrugating	128,636	33,898	12,842	4,072	12,402	3,914	147,959	17.9
Other Paperboard	151,214	64,211	9,124	4,299	11,842	[illegible],658	114,048	-27.3
Convtd Paper&Paperbd Products	401,559	932,571	42,216	91,499	38,681	86,664	431,730	6.9
Paper Products, Total	368,179	866,121	38,821	85,591	35,448	80,590	394,487	6.7
Paperboard Products, Total	33,390	66,450	3,395	5,908	3,233	6,074	37,244	9.9
Wet machine Board	3,463	2,638	312	254	301	252	4,287	20.5
Construction Paper & Board	305,985	96,120	32,344	10,148	33,171	11,493	328,294	4.7
Notes								
Other: No Weight Avail. ($000)		201,453		16,993		13,964	180,198	-11.1
Total Imports Incl. Other($000)		9,245,053		939,040		934,337	10,308,604	18.3

EXPORTS

Pulpwood, Roundwood (cords)	16,178	913	1,287	80	0	0	(1) 13,092	-4.3
Pulpwood Chips	2,546,467	188,459	338,413	28,912	242,218	19,547	3,367,968	35.8
Total All Exports	14,797,437	6,007,819	1,350,457	601,573	1,393,113	597,922	16,848,609	15.8
Wood Pulp, Total	4,899,331	2,259,377	420,886	232,726	419,774	223,391	5,406,267	13.6
Cotton Pulp and Other Pulp	182,001	91,365	15,738	8,655	16,250	10,281	197,047	11.1
Waste and Old Paper	4,422,139	553,348	476,915	57,206	507,449	58,435	5,581,141	28.6
Paper, Board & Products, Total	5,303,966	3,103,728	436,918	304,986	449,640	305,214	5,664,154	7.4
Paper, Paperboard, Wet Machine Bd. & Construction Paper & Board	4,578,770	2,288,32[illegible]	371,623	213,062	383,853	216,735	4,851,115	6.6
Paper, Ppbd & Prod ex Cnst&WMB	5,196,613	3,044,586	425,507	298,932	439,772	299,662	5,530,785	7.0
Paper & Paperboard, Only	4,471,418	2,221,107	360,213	207,008	373,985	211,182	4,717,745	6.2
Paper, Total	921,397	776,181	98,073	86,667	100,488	85,823	1,090,426	19.4
Newsprint	339,773	210,093	44,092	29,253	48,219	33,377	419,052	24.0
Printing & Writing	249,092	242,639	22,560	27,524	23,819	25,078	283,248	14.7
Uncoated Groundwood	55,841	39,750	4,724	3,967	6,535	5,056	65,922	18.3
Clay Coated Paper	100,839	72,145	7,297	6,471	7,612	5,826	98,899	-0.9
Uncoated Free Sheet	67,858	99,330	7,121	11,290	6,535	10,029	82,922	24.6
Other Printing & Writing	24,554	31,414	3,417	5,796	3,137	4,166	35,504	42.4
Total Pkg. & Other Paper	294,201	292,659	28,847	27,040	26,401	24,762	344,805	18.7
Unbleached Kraft	89,194	40,758	9,826	4,928	10,588	5,005	108,044	25.5
Other Pkg. & Indust. Paper	205,007	251,901	19,021	22,112	15,813	19,757	236,761	15.9
Tissue	38,332	30,790	2,575	2,851	2,049	2,606	43,322	14.6
Paperboard, Total	3,550,021	1,444,926	262,140	120,340	273,497	125,360	3,627,319	2.7
Solid Wood Pulp	3,219,952	1,321,618	242,346	110,358	254,817	116,359	3,347,346	4.5
Total Linerboard	2,296,633	812,161	153,113	59,135	179,357	69,757	2,263,930	-0.9
Bleached Kraft Linerboard	102,266	46,429	9,692	5,001	11,288	5,805	130,594	39.5
Unbleached Kraft Linerbd	2,194,367	765,731	143,421	54,134	168,070	63,952	2,133,336	-2.6
Other Unbleached Kraft	210,566	78,596	21,829	7,377	9,993	5,250	305,011	42.3
Other Bleached Kraft	647,803	407,923	66,239	43,292	61,218	39,333	736,409	15.3
Semi-Chemical Corrugating	63,951	22,938	1,165	554	4,250	2,018	41,996	-36.4
Recycled Paperboard	331,069	123,308	19,794	9,983	18,680	9,001	279,973	-14.8
Convtd Paper&Paperbd Products	725,196	823,399	65,295	91,924	65,787	88,479	813,039	12.5
Paper Products, Total	301,202	540,681	32,346	61,030	31,190	57,196	366,077	22.7
Paperboard Products, Total	423,994	282,719	32,948	30,894	34,597	31,283	446,962	5.3
Wet Machine Board	17,128	7,816	906	404	836	352	11,752	-34.5
Construction Paper & Board E	90,024	51,405	10,504	5,650	9,032	5,200	121,618	34.3
Notes								
Other: No Weight Avail. ($000)		8,037		757		867	9,169	14.2
Total Exports Incl. Other($000)		6,015,855		6[illegible]4,331		598,789	7,384,799	25.0

SOURCE: Bureau of Census, U.S. Department of Commerce. E - Incl. estim. of tonnage based on square foot data.

(1) Annual Rate Year-To-Date is in tons unless otherwise specified in item description.

PRODUCER PRICE INDEXES
1982 = 100

	1986	1987	SEPTEMBER 1988	OCTOBER 1988	NOVEMBER 1988	DECEMBER 1988	Annual Rate Y-T-D 1988	% Change from same Period Last Year
Pulp, Paper and Products except Building Grades	107.5	114.3	127.6	128.2	128.2	128.5	124.8	9.2
Pulp Paper & Products, ex. Building Grades & ex Waste Paper *	106.9	113.2	126.6	127.3	127.5	128.0	123.8	9.4
Total Wood Pulp	94.7	111.5	142.3	145.2	145.2	145.2	136.8	22.7
Total Paper	107.0	111.5	125.4	127.0	127.5	127.7	123.2	10.5
Total Paper, exc. Newsprint	107.9	110.6	126.1	128.6	128.6	128.7	123.3	11.6
Newsprint	101.3	112.3	127.3	127.3	127.1	126.2	127.5	13.5
Total Paperboard	106.5	118.1	136.3	136.5	136.5	136.5	133.2	12.8
Total Paper and Paperboard *	106.8	113.6	128.8	130.0	130.3	130.5	126.3	11.2
Converted Products	109.4	114.7	125.8	126.1	126.3	127.1	123.0	7.2
Waste Paper	142.6	181.4	185.5	179.2	168.8	158.9	183.7	1.2
All Commodities	100.2	102.8	108.1	108.2	108.3	109.0	106.9	4.0
Industrial Commodities	100.0	102.6	106.9	107.1	107.4	108.1	106.1	3.6

SOURCE: Producer Price Indexes; Bureau of Labor Statistics, U.S. Department of Labor * Computed by API

ANNUAL GROWTH OF PAPER/PAPERBOARD CAPACITY
(000 short tons)

	Capacity	Annual Growth
1980	66,368	2.7%
1981	68,172	2.7
1982	70,086	2.8
1983	71,126	1.5
1984	73,098	2.8
1985	74,301	1.6
1986	75,777	2.0
1987	78,186	3.2
1988(E)	80,315	2.7
1989(P)	82,568	2.8
1990(P)	85,427	3.5
1991(P)	88,564	3.7

E = Estimate
P = Projection

Source: API Capacity Survey, December 1988

As a result of these growth patterns, Japan's share of total U.S. shipments of chemical paper grade market pulp rose from 11.3% in 1987 to 13.6% last year, while Western Europe's share edged down from 25.0% to 24.0%. In 1988, 40.7% of total U.S. chemical paper grade market pulp shipments went to domestic customers, down slightly from 1987's 41.1%.

Producers inventories of chemical paper grade market pulp trended downward during the first half of 1988, but then rose from June to November to a high of 17 days of supply. However, by year's end they measured 13 days of supply (254,000 tons), only slightly higher than the 12 days of supply (225,000 tons) on hand at the end of 1987. By contrast, inventories of purchased paper grade pulp held by U.S. consumers rose from 32 days of supply at the end of 1987 to 37 days at the end of November 1988.

Total North American and Nordic producers inventories of chemical paper grade market pulp also declined from 17 days of supply at the end of November to 13 days at the end of December, representing the lowest tonnage level since December 1979.

Capacity utilization rates for U. S. chemical paper grade market pulp averaged 96% for 1987 and 95% for 1988. These utilization rates are lower than previously reported, reflecting upward revisions in chemical paper grade pulp capacity reported in the API's December 1988 Capacity Survey.

PAPER CAPACITY EXPANSION PLANS

U.S. capacity to produce paper and paperboard is slated to grow at an average annual rate of 3.3% during the 1989-91 period, according to the American Paper Institute's 31st annual Capacity Survey. (See table on page 10.) The individual year gains are reported at 2.8% for 1989, 3.5% for 1990, and 3.7% for 1991.

The anticipated capacity increases for the 1989-91 period are somewhat above average growth in capacity for the previous ten years. Total paper and paperboard capacity increased at a 2.4% average annual rate from 1979 through 1988 -- in keeping with the industry's growth performance. Paper and paperboard production advanced at an average annual rate of 2.9% a year since 1980. Moreover, operating rates for the paper industry averaged approximately 96% of capacity in 1988.

Paper capacity is projected to grow at an average rate of 3.5% a year in the 1989-91 period. Paper production grew at an average annual rate of 3.1% between 1980 and 1988, bringing operating rates for that sector of the industry to 96% in 1988. The largest capacity increases in the paper sector will be in newsprint (5.2% a year, 1989-91), followed by the printing-writing paper grades (3.9%) and tissue papers (2.7%).

Continued on Page 12

In contrast to the declines evident in recent years, U.S. capacity to produce packaging and industrial converting papers will edge up 0.8% a year in the 1989-91 period.

Paperboard capacity is projected to grow at an average rate of 3.1% a year in this period. Paperboard production has advanced at an average rate of 2.6% a year since 1980; operating rates for this sector of the industry averaged 95% last year.

The strongest paperboard capacity growth in the 1988-1991 period is expected in unbleached kraft (3.9% a year) and semichemical paperboard (3.2%). These growth rates are brisk by the standards of the past ten years and reflect strong domestic demand for shipping containers as well as healthy exports of linerboard.

Bleached board capacity is projected to grow 2.1% a year (1989-91), versus 1.1% in the ten-year period from 1979 to 1988.

Capacity increases for recycled paperboard are projected to average 1.8% in the 1989-91 period. Although that growth rate is slower than for the other paperboard grades, it nevertheless is well above the 0.9% average annual rate of increase registered by recycled paperboard capacity in the 1979-88 period. Production of recycled paperboard showed little change from 1979 to 1985, but grew at an average rate of 5.4% a year in the 1986-1988 period.

The industry plans to expand total wood pulp capacity at an average rate of 2.6% a year during the 1989-1991 period. The slower growth of wood pulp capacity in relationship to that of paper and paperboard is consistent with the industry's plans to significantly increase consumption of recyclable papers. Specifically, consumption of recyclable paper as a share of total fiber is projected to increase from 24.7% in 1988 to 25.6% in 1991.

Copies of the Survey have been sent to API member companies. Copies of the Capacity Survey are available to non-members for $300 each, domestically, and $325, overseas, from the Capacity Department, Box SM, American Paper Institute, 260 Madison Avenue, New York, NY, 10016.

INDUSTRY FACT SHEET

AMERICAN PAPER INSTITUTE, INC.
260 Madison Avenue
New York, New York 10016

January 23, 1989

PRODUCTION (000 TONS)

*	(P) DECEMBER 1988	* NOVEMBER 1988	* DECEMBER 1987	* FIRST 12 MONTHS 1988	* FIRST 12 MONTHS 1987	% CHANGE YR TO DATE 1988/1987
PAPER GRADES						
Newsprint	512	493	499	5,982	5,842	2.4
Printing & Writing	1,794	1,788	1,781	21,858	20,780	5.2
Uncoated Groundwood (s)	122	130	111	1,598	1,485	7.6
Coated Paper (s)	583	606	588	7,371	6,860	7.5
Uncoated Free Sheet Paper (s)	958	922	958	11,356	10,977	3.5
Thin Paper (s)	21	21	23	229	251	-8.7
Cotton Fiber Paper (s)	14	13	12	163	163	0.2
Bleached Bristols (s)	97	97	89	1,141	1,044	9.2
Tissue Paper	450	449	449	5,480	5,301	3.4
Total Pkg & Other Paper	421	439	432	5,198	5,072	2.5
Unbl. Kraft Paper (s)	256	254	261	3,037	3,079	-1.4
Other Paper	163	185	171	2,162	1,993	8.5
TOTAL PAPER	3,177	3,169	3,162	38,519	36,994	4.1
PAPERBOARD GRADES						
Unbleached Kraft Paperboard	1,635	1,508	1,640	19,268	18,913	1.9
Unbleached Kraft Linerboard	1,526	1,412	1,529	17,996	17,682	1.8
Other Unbl. Kraft Paperboard	110	97	110	1,272	1,232	3.2
Semichemical Paperboard	479	475	450	5,708	5,600	1.9
Bleached Paperboard	381	361	393	4,483	4,420	1.4
Recycled Paperboard	663	714	685	8,771	8,506	3.1
TOTAL PAPERBOARD	3,157	3,058	3,168	38,230	37,439	2.1
TOTAL PAPER AND PAPERBOARD	6,334	6,227	6,330	76,748	74,433	3.1

WOOD PULP (ALL GRADES)	NOVEMBER 1988	OCTOBER 1988	NOVEMBER 1987	FIRST 11 MONTHS 1988	FIRST 11 MONTHS 1987	% Change 88/87
Dissolving & Special Alpha	112	99	137	1,240	1,203	3.1
Bleached Sulfite) Unbleached Sulfite)	127	137	120	1,418	1,319	7.5
Bleached & Semi-Bl. Sulfate	2,169	2,155	2,015	23,980	23,174	3.5
Unbleached Sulfate	1,711	1,808	1,716	19,843	19,573	1.4
Semichemical	359	367	352	3,973	3,906	1.7
Groundwood & Thermomechanical	489	513	471	5,458	5,218	4.6
TOTAL PULP DIVISION DATA	4,967	5,078	4,810	55,911	54,392	2.8

(s) - Shipments
P - Preliminary

JANUARY 31, 1989

	Full Year		INDUSTRY DATA 1987 - 1988			Ann. Rate Year - To - Date	% From Same Pd. Last Year
				R	P		
PAPER AND PAPERBOARD -- Tons (000)	1986	1987	October	November	December	1988	
Total Production (API)........: excluding :...	70,889	74,433	6,467	6,227	6,334	76,748	3.1
Total Seasonally Adjusted....:construction:...			6,386	6,355	6,324	76,714	3.0
Imports (including Products).: and wet :..E	11,597	12,454	1,044	1,048	1,068	12,827	3.0
Exports (including Products).: machine :..E	4,593	5,197	426	440	452	5,627	8.3
Apparent Consumption.........: grades :...	77,893 a	81,690 b	7,005	6,963	6,940	83,914 c	2.7
Paper Production % Tonnage Capacity...........	93.2 g	94.0	95.1	94.8	91.7	95.6	-
Paperboard Production % Tonnage Capacity......	94.3 g	96.8	95.5	93.4	93.2	96.7	-
			September	October	November		
IMPORTS.....:Including Construction and :...	11,936	12,837	1,142	1,077	1,081	13,160	2.2
EXPORTS.....: WMB Grades (excl. HPB) :...	4,687	5,304	520	437	450	5,778	9.5
			September	October	November		
MARKET WOOD PULP PRODUCTION - Tons (000).........	7,572	8,114	727	646	684	8,391	4.0
TOTAL WOOD PULP PRODUCTION - Tons (000)..........	57,005	59,552	5,006	5,078	4,967	60,994	2.8
WOOD PULP IMPORTS - TONS (000)..................	4,582	4,850	379	436	425	5,044	4.2
WOOD PULP EXPORTS - TONS (000)..................	4,458	4,889	518	421	420	5,406	13.6
RAW MATERIALS CONSUMPTION - Tons (000)							
..PAPER AND BOARD MILLS : excluding :			September	October	November		
Wood Pulp.............:consumption for:.....	57,061	59,475	4,927	5,158	4,956	60,042	2.6
Waste Paper...........:construction & :.....	17,285	18,296	1,553	1,601	1,569	18,930	3.3
TOTAL..........: WMB grades :.....	74,345	77,770	6,480	6,759	6,525	79,772	2.8
PULPWOOD CONSUMPTION Cords(000)Amer.Pulpwd. Assn	91,434	93,946	7,956	7,908	7,897	95,235	1.8
EMPLOYMENT (000)			October	November	December		
Paper and Allied Products..........Total......	673.7	679.0	692.2	693.2	690.7	689.1	1.5
Pulp, Paper and Board Mills........Total.....E	248.1	244.9	243.7	244.1	243.0	245.4	0.2
AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS ($)			October	November	December		
Paper and Allied Products......................	11.18	11.42	11.67	11.70	11.78	11.54	1.9
Pulp, Paper Mills.........................E	13.63	14.00	14.41	14.48	14.55	14.29	2.1
Paperboard Mills..........................E	13.98	14.30	14.60	14.59	14.65	14.38	1.3
CAPITAL EXPENDITURES, PAPER & ALLIED PRODUCTS			1988 Q2	1988 Q3	1988 Q4		
(Rept. by US Dept. of Com., Ann. Rates, Bill.$)*	8.77	9.01	11.09	11.37	12.29	11.17 Y	24.0
INDEX OF OUTPUT PER MAN-HOUR (1977=100)...........			October	November	December		
:IN PULP, PAPER :...Production Workers..........	131.2	140.1	144.9	144.4	144.9	144.8	3.4
:AND BOARD MILLS:...All Employees...............	128.6	136.7	141.0	140.9	141.7	141.4	3.4
PAPER AND ALLIED PRODUCTS (Million $)			September	October	November		
Industry Shipments (Dept. of Commerce)*........	103 [illegible]5	110,855	10,550	10,669	10,793	127,392	7.9
Pulp, Paper and Paperboard*..................	44,[illegible]3	51,518	4,711	4,761	4,850	57,134	12.0
Inventories (End of Period) - Total Industry*..	10,429	11,284	11,775	11,835	11,901	11,901	8.2
Pulp, Paper and Paperboard*..................	4,115	4,266	4,185	4,196	4,217	4,217	1.5
			1988 Q1	1988 Q2	1988 Q3		
Sales (Corporations Only)......................	74,844	95,576 RS	25,504	27,227	27,344	106,767	13.6
Earnings (Corporations Only)...................	3,280	5,520 RS	1,744	2,105	2,227	8,221	53.2
Depreciation (Corporations Only)...............	3,389	4,279 RS	1,169	1,124	1,162	4,607	7.0
Net Worth (Corporations Only)..................	31,221	39,217 RS	40,213	41,621	43,015	43,015	13.1
PRICE INDEXES (Bureau of Labor Stats)1982=100			October	November	December		
Pulp, Paper & Products, ex. Building Grades....	107.5	114.3	129.2	128.2	128.5	124.7	9.1
Wood Pulp......................................	94.7	111.6	145.2	145.2	145.2	136.7	22.5
Waste Paper....................................	142.6	181.4	179.2	163.8	158.9	183.5	1.1
Paper..	107.0	111.5	127.0	127.5	127.7	123.2	10.5
Paperboard.....................................	106.5	118.1	136.3	136.5	136.5	133.2	12.8
PAPER DEMAND (INDEXED: 1977=100)			October	November	December		
Total Paper Production *.......................	128.0	133.8	138.6	140.0	138.4	139.0	3.9
Paper New Supply *.............................	133.7	140.6	143.4	144.6	144.1	145.0	3.1
Demand Indicators - (Weighted Average) *.....	146.4	154.5	167.0	166.2	166.5	163.5	5.8
Production of Nondurable Goods *...(21.2%).	130.1	136.8	146.6	146.7	147.1	143.9	5.2
Disposable Income ....*.(23.9%)	127.8	130.0	137.2	136.6	137.5	135.0	3.8
Total Printing and Publishing *...(54.9%).	160.9	172.0	187.8	186.7	186.7	183.5	6.7
Trend Factor	-------	-------	-------	Not Available	-------	-------	-------
PAPERBOARD DEMAND (INDEXED: 1977=100)							
Total Paperboard Production *..................	121.9	129.1	132.1	129.4	129.7	131.9	2.2
Production for Domestic Use	118.7	126.5	129.6	128.9	126.1	129.2	2.2
Demand Indicators - (Weighted Average) *.....	121.9	125.9	135.0	135.2	135.7	132.5	5.2
Production of Consumer Goods *...(62.06%)	124.1	127.7	136.7	136.5	137.2	133.8	4.8
Production of Equipment *...(5.75%)	143.7	148.8	159.5	159.8	159.8	158.1	6.2
Production of Materials *...(32.19%)	113.8	118.3	127.4	128.3	128.6	125.3	5.9
Trend Factor	-------	-------	-------	Not Available	-------	-------	-------
NEWSPRINT MARKETS			September	October	November		
Consumption by Publishers - Tons (000)..........	13,158	13,583	1,154	1,254	1,224	13,609	0.4
Newspaper Pub. and Printing Empl. Total(000)...	461	471	477	480	482	477	1.6
PRINTING AND FINE PAPER MARKETS							
MAGAZINE ADVERTISING PAGES (PIB, Inc.)...........	154,317	163,961	16,102	17,264	17,024	165,587	0.8
WHOLESALERS SALES AND INVENTORIES (Million $)							
Total Paper & Pap. Prdcts.,ex Wallpaper..Sales	38,245	44,741	4,689	4,625	4,655	52,405	10.7
Inventories (End of Period).	3,577	3,850	4,236	4,401	4,433	4,433	18.2
FIBRE BOX DATA (Fibre Box Association)			October	November	December		
Fibre Box Shipments (Million square feet).......	283,921	297,827	27,306	24,957	23,467	307,457	3.2
Container'bd Inventory at Mill & Plant(000Tons).	2,238	2,486	2,519	2,489	2,551	2,551	2.6
RETAIL TRADE (Billion $)			October	November	December		
Total Retail Sales *...........................	1,437	1,509	137	138	138	1,605	6.4
Nondurable Goods Stores Sales *................	899	951	85	86	86	998	5.3
GENERAL ECONOMIC DATA			October	November	December		
TOTAL INDUSTRIAL PRODUCTION (INDEX 1977 = 100)*..	125.1	129.8	139.3	139.8	140.2	137.2	5.7
PRODUCER PRICES(ALL COMMODITIES)(INDEX 1982=100).	100.2	102.8	108.2	108.3	109.0	106.9	4.3
CONSUMER PRICES (ALL ITEMS) (INDEX 1982-4=100)...	109.6	113.6	120.2	120.3	120.5	118.3	4.1
			September	October	November		
TOTAL CONSUMER CREDIT OUTSTANDING - (Billion $)..	586	624	658.4	661.2	665.5	665.5	8.7
GROSS NATIONAL PRODUCT - ANNUAL RATE (Billion$)..			1988 Q2	1988 Q3	1988 Q4		
G.N.P. or Expenditure - Current $..............	4,240	4,527	4,824	4,909	4,990	4,862	7.4
G.N.P. or Expenditure - 1982 $.................	3,722	3,847	3,985	4,009	4,029	3,995	3.3

	lb/capita			
	Pap&Papbd	Othr	Totl	Popul(mil)
.a -	645 +	18 =	663	241.6
.b -	670 +	17 =	687	243.9
.c -	684 +	17 =	701	245.5

.E - Last month estimated by API

f - Wood Pulp Production excludes def., expld. & scrngs.

g - Adjusted for holiday shutdowns

Q - Quarter

R - Revised

Y - Full year estim. by U.S. Dept. of Com.

RS - Revised Series

* - Seasonally Adjusted.

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3/17/89

Paper Paperboard & Wood Pulp

MONTHLY STATISTICAL SUMMARY · Vol. 67 No. 2 FEBRUARY 1989

PAPER AND PAPERBOARD PRODUCTION: HOLDING STEADY

Consistent with the trend of the total economy, paper and paperboard production held close to its fourth quarter 1988 rate during the early weeks of 1989. Preliminary data show January 1989 production at 6.5 million tons, which is fractionally above its year-ago level. Adjusted for seasonal and workday factors, the rate was 76.5 million tons per year.

The paperboard production trends were slightly stronger than those of paper. Where total paper production, at 3.2 million tons, was 0.2% above its year-ago level, paperboard production, at 3.3 millions, gained 1.0%.

Paper: Production of newsprint, tissue papers, unbleached kraft and other packaging and industrial papers were above year-ago levels in January 1989, while production of printing-writing paper moved a bit below their year-ago rates. Within the printing and writing paper grades, gains over year-ago levels were recorded in shipments of groundwood papers and bleached bristols. The major strengths in the printing paper markets appear to be in office reprographics, commercial printers and business forms converters.

Paperboard: The January 1989 rate of paperboard production, adjusted for seasonal and workday factors, was 38.6 million tons per year, indicating a production rate slightly above that for 1988 as a whole. Production of unbleached kraft and semichemical paperboard were both slightly above their year-earlier levels, but production of the other grades was down fractionally. In terms of market demand, production of containerboard for domestic use showed a 1.3% gain, which compares to a 6.4% gain in shipments of fiber boxes. Inventories of containerboard at mills and plants rose from a revised level of 5.4 weeks of supply as of January 1, 1989 to 5.6 weeks of supply as of February 1. One year ago inventories were equivalent to 5.7 weeks of supply.

Boxboard production for domestic use just about matched its year-ago level. Solid bleached and recycled folding boxboard both showed declines, but these were offset by gains in kraft folding boxboard, set-up boxboard and milk carton and food service stock. Paperboard production for export was 1.5% ahead of its year-ago level at an annual rate that was close to its 1987-1988 level.

Continued on Page 2

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MARKET WOOD PULP

Demand for chemical paper grade market wood pulp in January 1989 reflected a continuation of the strength evident during the past few years, with production a shade above the reported capacity levels. Canadian production also ran above reported capacity, while the combined production of North American and Nordic producers just matched their combined capacity levels.

Shipments of these grades of wood pulp in January were also above their year-ago rates. The gains, however, were concentrated in exports, with shipments to Europe and Japan showing relatively large increases. Shipments from U.S. mills to the domestic market fell 11%, but increased shipments from Canada held the decline in total receipts from the North American and Nordic producers to 5%.

The January production totals were above shipments, and inventories at U.S. mills rose to 17 days of supply, compared to 15 days of supply one year earlier. In terms of days of supply, inventories are at the low side of the range evident during the 1980's.

IMPORTS AND EXPORTS

The table on page 9 presents the 1988 and 1987 totals of import and exports of paper, paperboard, wood pulp, waste paper and converted paper and paperboard products. Paper and paperboard imports held at their 1987 level in 1988 with gains in printing papers (uncoated groundwood, coated and uncoated free sheet papers) offsetting a decline in newsprint. Exports of paper and paperboard rose 6%, led by a 20% gain in exports of paper. The paper export total, 1.1 million tons, established a new high.

SALES AND EARNINGS

Fourth quarter 1988 sales of 27 paper and allied products companies as reported in the press, rose 12.6% from their year-earlier level, continuing the pattern of quarterly year-to-year increases and bringing the total 1988 gain to 14.9%. After-tax profits gained 39.3% from the fourth quarter of 1987 to the fourth quarter of 1988, which brought the total 1988 increase to 53.0%. The faster rises in after-tax profits brought the 1988 profits/sales ratio to 8.4%.

The table on the bottom of page 10 presents data on sales and earnings for 1987 and 1988 for these companies, together with the quarterly ratios of after-tax profits to sales. This table also shows similar data for four forest products companies with capacity in the paper industry.

HISTORICAL PROFILE OF KEY PAPER INDUSTRY DATA SERIES

The table shown on page 12 of this report provides historical data for the key paper industry data and market series that regularly appear on the yellow Industry Data Sheet. This table provides historical data for 1977, the base year for the

Continued on Page 11

PAPER AND PAPERBOARD STATISTICS

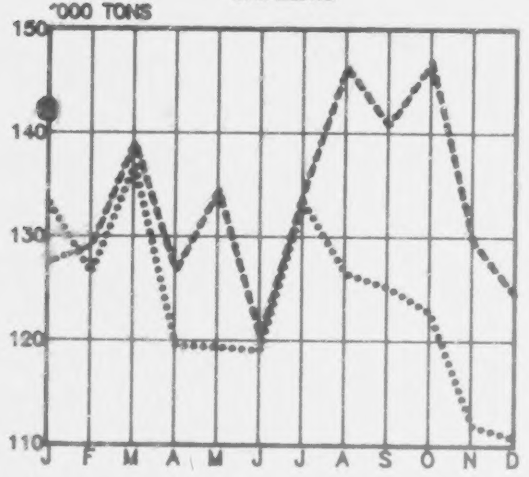
PRODUCTION, SHIPMENTS AND ORDERS
(Thousands of Short Tons)

	YEAR 1987	YEAR 1988	OCTOBER 1988	NOVEMBER 1988 (R)	DECEMBER 1988 (P)	JANUARY 1989 (P)	Annual Rate Y-T-D 1989	% Change From same Period Last Year
PAPER								
Newsprint - Production	5,842	5,982	508	493	512	507.3	6,088	1.7
- Shipments	5,854	5,969	508	502	523	481.6	5,779	-0.1
Printing & Writing Sum	20,780	21,819	1,846	1,788	1,756	1,785	21,415	-2.6
Groundwood Paper - Shipments	1,485	1,601	147	130	125	143	1,720	12.3
- New Orders	1,529	1,630	145	113	177	135	1,625	5.4
-Unfilled Orders	164	207	168	145	207	180	180	7.5
Coated Papers - Shipments	6,860	7,361	625	606	573	627	7,526	-1.6
- New Orders	7,066	7,406	666	575	570	580	6,956	-7.1
- Unfilled Orders	708	722	749	729	722	663	663	2.2
Unctd Free Sheet - Shipments	10,977	11,327	944	922	930	890	10,685	-5.6
- New Orders	11,184	11,365	937	880	989	860	10,322	-8.8
- Unfilled Orders	773	781	745	717	781	692	692	-2.8
Thin Papers - Shipments	251	227	21	21	18	19	222	-4.8
Cotton Fiber Paper - Shipments	163	164	15	13	15	13	158	-1.0
Bleached Bristols - Production	1,044	1,139	94	97	95	92	1,104	2.0
Tissue Paper - Production	5,301	5,476	476	445	450	481	5,771	7.2
Total Packaging & Other Paper	5,074	5,199	434	439	423	456	5,472	2.9
Unbl. Kraft Paper - Shipments	3,081	3,038	248	254	258	273	3,276	2.9
Other Paper - Production	1,993	2,162	186	185	165	183	2,196	3.0
TOTAL PAPER-Production-Unadj.	36,996	38,476	3,264	3,165	3,140	3,229	38,746	0.2
-Production-S.A. RS			3,195	3,228	3,172	3,164	37,963	-0.1
PAPERBOARD - PRODUCTION								
Solid Wood Pulp Furnish	28,944	29,459	2,427	2,344	2,494	2,538	30,458	1.4
Total Unbl. Kraft Paperboard	18,913	19,268	1,576	1,508	1,635	1,666	19,995	1.8
Unbl. Kraft Linerboard (1)	17,682	17,996	1,479	1,412	1,526	1,554	18,644	1.6
Production for Export	2,318	2,353	192	153	212	201	2,412	-3.3
Other Unbl. Kraft Paperboard	1,232	1,272	97	97	110	113	1,351	5.0
Semichemical Paperboard	5,600	5,709	472	475	478	495	5,937	1.3
Production for Export	189	136	12	14	10	16	189	60.5
Solid Bleached Paperboard	4,420	4,483	380	361	381	377	4,526	-0.2
Production for Export	619	601	51	48	50	56	671	13.9
Recycled Paperboard	8,506	8,771	775	714	663	744	8,926	-0.2
Production for Export	75	60	2	3	2	4	44	-33.1
TOTAL PAPERBOARD-Prod.-Unadj.	37,439	38,230	3,203	3,058	3,157	3,282	39,384	1.0
- Containerboard Prod.(Dom. Use)	23,028	23,531	1,955	1,906	1,968	2,022	24,258	1.3
- Boxboard Prod.(Dom. Use)	6,917	7,107	529	505	513	610	7,324	0.1
- All Other P'bd Prod.(D.U.)	4,293	4,443	462	429	403	374	4,485	0.8
- Total Paperbd Prod. for Export	3,201	3,149	257	218	274	276	3,317	1.5
TOTAL PAPERBOARD PROD.- S.A. RS			3,174	3,148	3,135	3,215	38,577	0.7
TOTAL PAPER AND PAPERBOARD								
Production - Unadj.	74,435	76,705	6,466	6,223	6,297	6,511	78,130	0.6
Production - S.A. RS			6,369	6,376	6,307	6,378	76,540	0.3

(1) Includes all exports of kraft paperboard. R - Revised P - Preliminary S.A. - Seasonally Adjusted

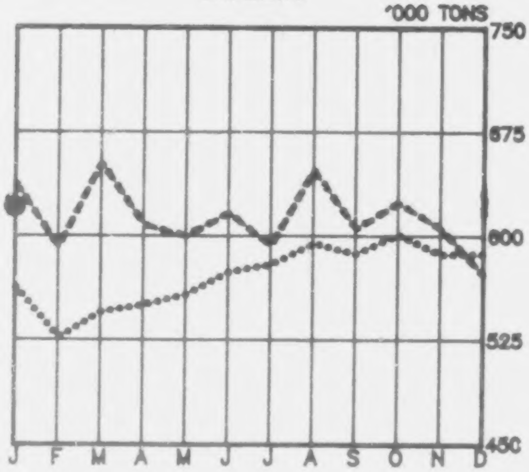
GROUNDWOOD PAPER, UNCOATED

SHIPMENTS



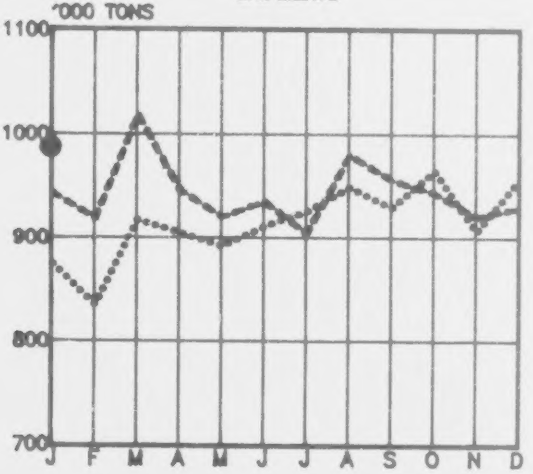
COATED PAPER

SHIPMENTS



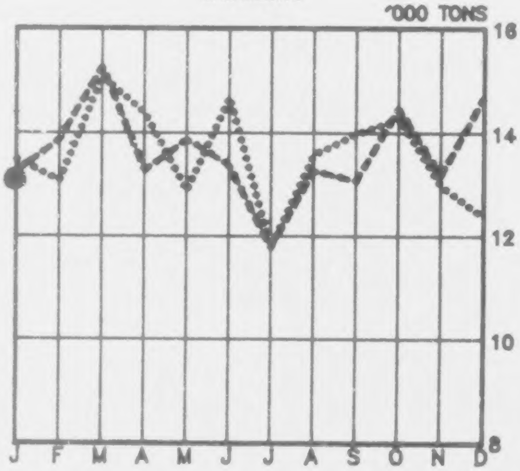
UNCOATED FREE SHEET PAPERS

SHIPMENTS



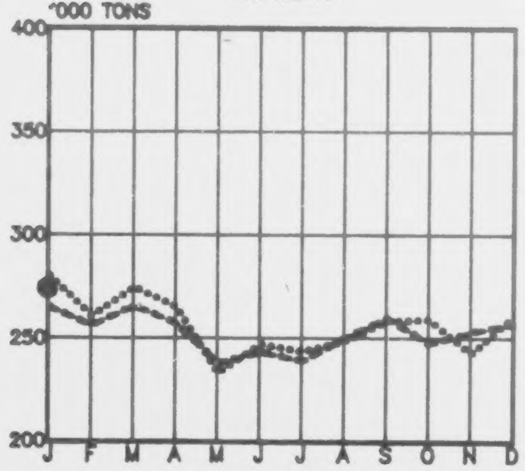
COTTON FIBER PAPER

SHIPMENTS



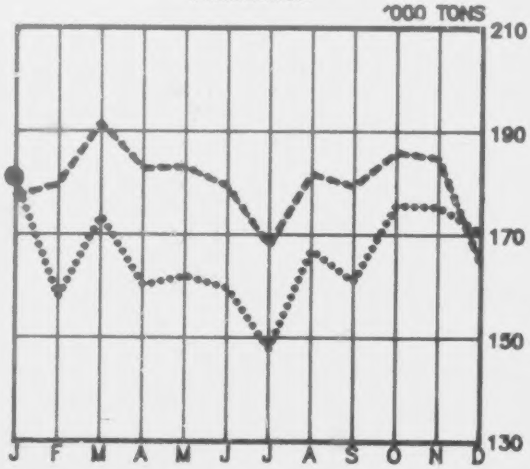
UNBLEACHED KRAFT PACKAGING AND INDUSTRIAL CONVERTING PAPER

SHIPMENTS



OTHER PAPER

PRODUCTION



● JAN 1989 1987 ········ 1988 ‒ ‒ ‒ ‒ 1989 ———

WOOD PULP STATISTICS

(Thousands of Tons)

	YEAR 1986	YEAR 1987	SEPTEMBER 1988	OCTOBER 1988	NOVEMBER 1988	DECEMBER 1988	Annual Rate Y-T-D 1988	% Change from same Period Last Year
TOTAL WOOD PULP					R	P		
Total Wood Pulp - Production	57,005	59,552	5,007	5,079	4,974	5,282	61,210	2.8
- Imports	4,582	4,850	379	436	425	314	4,938	1.8
- Exports	4,458	4,889	518	421	420	573	5,528	13.1
- New Supply	57,129	59,513	4,868	5,094	4,980	5,024	60,620	1.9
Dissolving Pulp - Production	1,258	1,312	135	99	112	127	1,367	4.2
- Imports	255	198	19	15	31	25	248	25.8
- Exports	711	752	81	74	73	89	865	15.0
- New Supply	801	757	73	40	69	64	751	-0.9
Paper Grades Chemical Pulp - Production	46,081	48,293	4,045	4,100	4,007	4,303	49,543	2.6
- Imports	4,220	4,456	338	374	366	274	4,329	-2.8
- Exports	3,689	4,111	434	344	340	478	4,612	12.2
- New Supply	46,612	48,637	3,949	4,130	4,033	4,099	49,259	1.3
Groundwood and Thermo-Mech. - Production	5,476	5,702	473	513	489	484	5,943	4.2
- Imports	108	197	21	47	29	14	361	83.3
- Exports	59	26	3	4	6	6	51	91.8
- New Supply	5,525	5,872	492	557	511	493	6,253	6.5
Semi-Chemical - Production	4,191	4,246	354	367	366	368	4,357	2.6
- Imports								
- Exports								
- New Supply	4,191	4,246	354	367	366	368	4,357	2.6
MARKET WOOD PULP								
Total Market Wood Pulp - Production	7,572	8,114	727	646	684	764	8,455	4.2
- Imports	3,122	3,235	281	285	289	298	3,471	7.3
- Exports	4,470	4,820	420	380	369	502	4,962	2.9
- New Supply	6,224	6,529	588	551	604	560	6,965	6.7
Dissolving Pulp - Production	1,251	1,308	135	99	112	127	1,365	4.4
- Imports	212	154	18	9	19	22	206	34.3
- Exports	718	775	93	56	62	88	798	2.9
- New Supply	745	687	59	52	68	61	774	12.7
Paper Grades Chemical Pulp - Production	6,315	6,806	593	547	572	637	7,090	4.2
- Imports	2,831	2,975	254	262	267	273	3,126	5.1
- Exports	3,752	4,045	327	324	307	414	4,164	2.9
- New Supply	5,394	5,736	520	485	532	496	6,052	5.5
Groundwood Pulp and All Other - Production	5	0	0	0	0	0	0	0
- Imports RS	79	106	9	15	3	2	139	31.2
- Exports	0	0	0	0	0	0	0	0.0
- New Supply	85	106	9	15	3	2	139	31.1

SOURCES: Total Wood Pulp Production & Market Wood Pulp Production, Imports & Exports - Pulp Division, Pulp, Materials and Technology Group, API. Total Wood Pulp Imports & Exports - Department of Commerce.

FIBROUS RAW MATERIALS

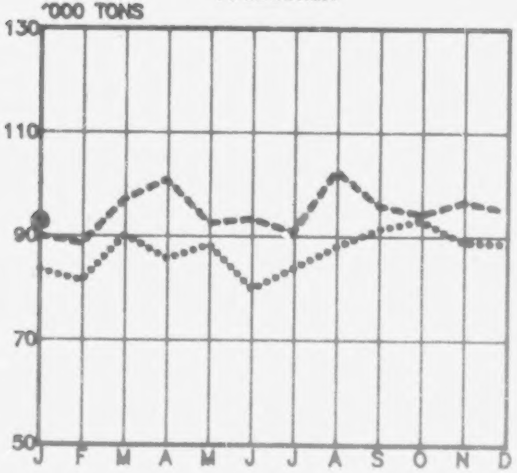
(Thousands of tons)

	YEAR 1986	YEAR 1987	SEPTEMBER 1988	OCTOBER 1988	NOVEMBER 1988	DECEMBER 1988	Annual Rate Y-T-D 1988	% Change from same Period Last Year
CONSUMPTION AT PAPER & PAPERBOARD MILLS					R	P		
Total	74,296	77,753	6,480	6,759	6,531	6,620	79,751	2.6
Total Wood Pulp	57,061	59,474	4,927	5,158	4,962	5,113	60,892	2.4
Waste Paper	17,236	18,279	1,553	1,601	1,569	1,507	18,859	3.2
INVENTORIES								
Chemical Paper Grade Market Pulp								
Producers' Own-Use Inventories	174	170	198	161	170	173	173	2.1
Producers' Market Inventories	284	224	272	275	301	261	261	16.5
Consumers' Purchased Inventories #	496	529	628	583	591	622	622	17.5
Waste Paper at Paper & Bd. Mills	838	922	1,057	1,043	1,074	1,089	1,089	18.2
Days of Supply at Pulp Mills of Chemical Paper Grade Mkt Pulp	16	12	14	15	17	14	14	16.7

SOURCES: Wood Pulp Data, Pulp Division, Pulp, Materials and Technology Group, API. Waste Paper Data, Paper Recycling Committee, API. # Includes all grades of wood pulp.
P - Preliminary; R - Revised; (0) - Indicates zero to five-hundred short tons RS - 1988 Revised Series

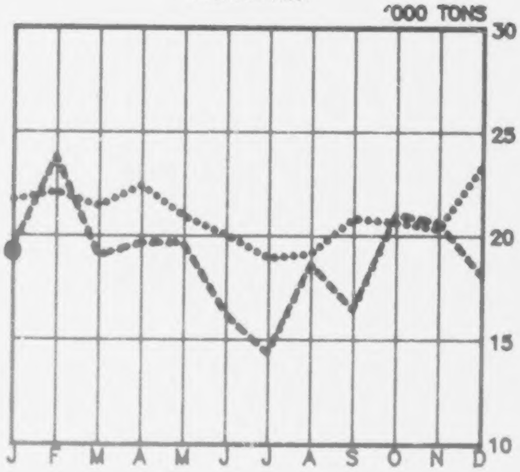
BLEACHED BRISTOLS

PRODUCTION



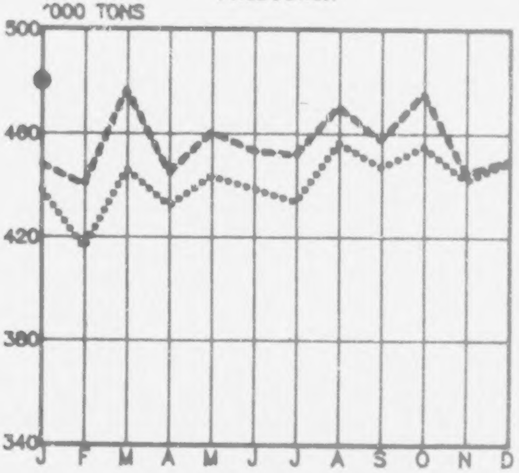
THIN PAPER

PRODUCTION



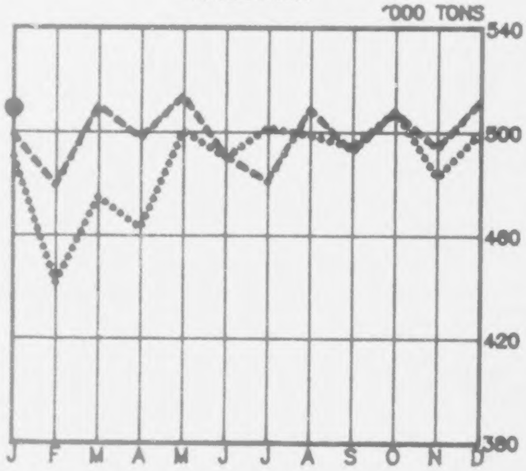
TISSUE PAPER

PRODUCTION



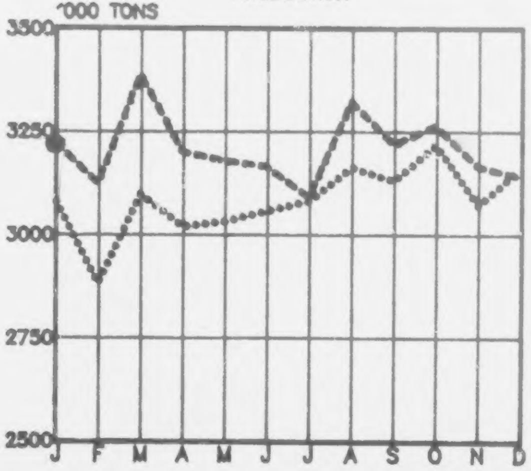
NEWSPRINT

PRODUCTION



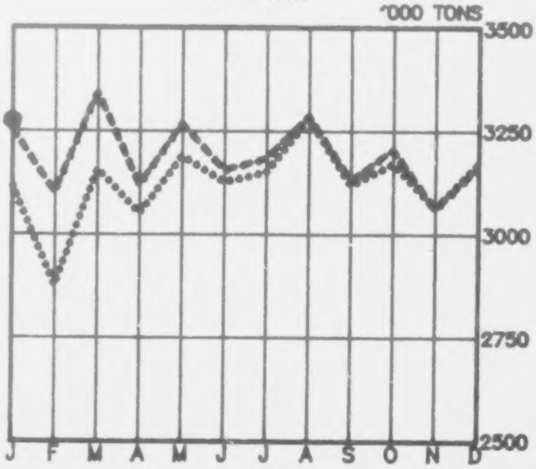
TOTAL PAPER

PRODUCTION



TOTAL PAPERBOARD

PRODUCTION



● JAN 1989 1987 •••••••• 1988 ━━━━1989 ━━━━

FIBROUS RAW MATERIALS

(Thousands of Standard (128 cubic foot) Cords)

PULPWOOD		YEAR 1986	YEAR 1987	SEPTEMBER 1988	OCTOBER 1989	NOVEMBER 1988	DECEMBER 1988	Annual Rate Y-T-D 1988	% Change From Same Period Last Year
Total U.S.	- Total Receipts	90,943	94,312	8,080	8,245	7,889	8,370	95,537	1.3
	- Total Consumpt	91,434	93,946	7,956	7,908	7,887	8,198	95,497	1.7
	- Residues *	32,755	32,899	2,723	2,869	2,770	2,812	33,186	0.9
	- Inventories	4,794	5,096	4,484	4,726	4,790	4,888	4,888	-4.1
So. Atlantic	- Total Receipts	29,513	31,147	2,688	2,731	2,697	2,786	31,582	1.4
	- Total Consumpt	29,425	30,915	2,686	2,650	2,630	2,716	31,567	2.1
	- Residues *	9,343	9,553	799	903	832	885	9,897	3.6
	- Inventories	994	1,211	1,048	1,134	1,176	1,200	1,200	-0.9
Northeast	- Total Receipts	7,277	6,941	622	645	578	689	7,187	3.5
	- Total Consumpt	7,227	7,109	549	565	591	600	7,216	1.5
	- Residues *	1,419	1,543	138	139	155	151	1,664	7.8
	- Inventories	484	594	482	507	506	572	572	-3.7
South Central	- Total Receipts	31,790	33,650	2,914	2,825	2,824	3,004	33,751	0.3
	- Total Consumpt	32,113	33,059	2,876	2,706	2,760	3,031	33,646	1.8
	- Residues *	9,792	9,992	816	836	835	841	9,890	-1.0
	- Inventories	926	1,294	1,030	1,147	1,196	1,160	1,160	-10.4
North Central	- Total Receipts	6,571	6,552	545	563	475	608	6,865	4.8
	- Total Consumpt	6,730	6,764	519	568	573	558	6,929	2.4
	- Residues *	1,042	1,263	116	100	94	102	1,334	5.6
	- Inventories	892	830	825	852	768	839	839	1.1
West	- Total Receipts	15,792	16,022	1,311	1,481	1,315	1,283	16,152	0.8
	- Total Consumpt	15,939	16,099	1,326	1,419	1,333	1,293	16,139	0.2
	- Residues *	11,159	10,548	854	891	854	833	10,401	-1.4
	- Inventories	1,498	1,167	1,099	1,086	1,144	1,117	1,117	-4.3

* - Consumption of Residues in Cord Equivalents. SOURCE: American Pulpwood Association 21-Feb-89

UNITED STATES TRADE WITH CANADA

IMPORTS FROM CANADA

	YEAR 1987 Tons	YEAR 1987 ($000's)	NOVEMBER 1988 Tons	NOVEMBER 1988 ($000)	DECEMBER 1988 Tons	DECEMBER 1988 ($000)	Annual Rate Y-T-D 1988 Tons	% Change From same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	15,382	1,736	85	10	2,375	171	39,337	155.7
Pulpwood chips	487,147	15,250	72,587	2,244	93,423	4,823	876,038	79.8
Wood Pulp, Total	4,320,114	1,842,019	380,022	213,399	254,009	142,073	4,240,245	-1.8
Waste Fibrous Materials, Total	186,286	36,423	15,862	3,011	12,271	2,613	227,004	21.9
Paper, Board & Products, Total	10,586,047	5,093,903	895,721	497,199	645,897	356,528	10,500,824	-0.8
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	10,441,472	4,845,663	880,596	473,775	636,000	341,249	10,351,917	-0.9
Paper, Paperboard & Products	10,365,412	5,027,943	873,847	490,715	637,955	353,884	10,286,916	-0.8
Paper & Paperboard, Only	10,218,838	4,779,702	858,722	467,291	628,058	338,605	10,138,008	-0.8
Paper, Total	9,961,198	4,698,148	831,839	456,787	612,074	332,313	9,872,892	-0.9
Newsprint	8,588,309	3,956,147	683,960	360,903	523,144	276,522	8,288,348	-3.5
Printing, Writing & Rel. Pap.	1,111,641	601,978	124,007	80,480	75,034	46,970	1,304,003	17.3
Pack. & Ind. Conv. Paper	215,514	102,986	19,085	10,718	11,102	6,073	227,493	5.6
Special Industrial Paper	5,478	9,844	716	1,317	330	692	4,767	-13.0
Tissue Paper	40,257	27,194	4,071	3,370	2,465	2,057	48,281	19.9
Paperboard, Total	257,639	81,554	26,883	10,504	15,984	6,292	265,116	2.9
Convtd Paper&Paperbd Products	146,575	248,241	15,125	23,424	9,897	15,279	148,908	1.6
Wet Machine Board	2,890	1,977	203	149	143	105	2,939	1.7
Construction Paper & Board	219,744	63,983	21,671	6,335	7,799	2,539	210,970	-4.0

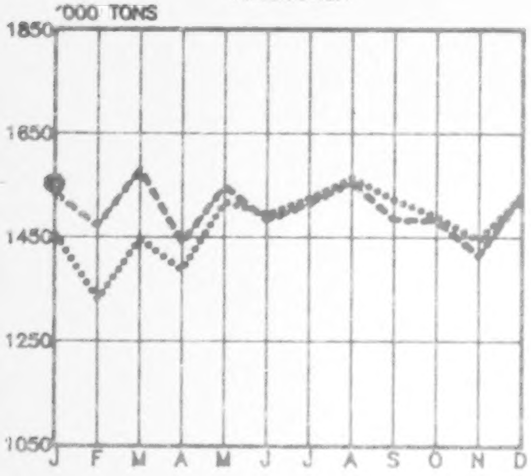
EXPORTS TO CANADA

Pulpwood, Roundwood (in cords of 128 cubic feet)	12,617	770	0	0	35	2	10,805	-14.4
Pulpwood chips	61,575	4,014	1,303	29	403	18	33,040	-46.3
Wood Pulp, Total	198,921	75,956	28,526	10,807	25,299	10,082	280,074	40.8
Cotton Pulp & Other Pulp	58,288	14,775	4,828	1,673	13,619	3,693	84,891	45.6
Waste Paper	286,898	30,592	21,297	2,402	30,321	3,384	331,999	15.7
Paper, Board & Products, Total	957,434	598,429	77,093	58,426	72,762	54,193	1,149,070	20.0
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	712,494	398,256	54,398	36,325	51,363	33,761	872,926	22.5
Paper, Paperboard & Products	920,755	581,481	74,267	56,922	69,076	52,619	1,112,110	20.8
Paper & Paperboard, Only	675,815	381,308	51,572	34,821	47,677	32,187	835,965	23.7
Paper, Total	297,585	250,807	25,813	22,512	24,480	20,835	340,156	14.3
Newsprint	4,525	3,728	535	456	322	288	5,806	28.3
Printing, Writing & Rel. Pap.	151,716	125,667	13,034	12,531	11,026	11,288	166,667	9.9
Pack. & Ind. Conv. Paper	25,826	17,841	3,853	2,912	4,667	2,775	41,718	61.5
Special Industrial Paper	110,107	97,080	7,591	5,998	7,965	5,830	118,806	7.9
Tissue Paper	5,411	6,490	801	616	501	654	7,160	32.3
Paperboard, Total	378,230	130,501	25,759	12,309	23,197	11,353	495,809	31.1
Convtd Paper&Paperbd Products	244,940	200,173	22,695	22,101	21,399	20,432	276,145	12.7
Wet Machine Board	10,212	4,828	340	141	684	278	6,527	-36.1
Construction Paper & Board	26,467	12,120	2,486	1,363	3,002	1,296	30,433	15.0

SOURCE: Bureau of Census, Department of Commerce E - Estimate of tonnage based on square foot data 21-Feb-89

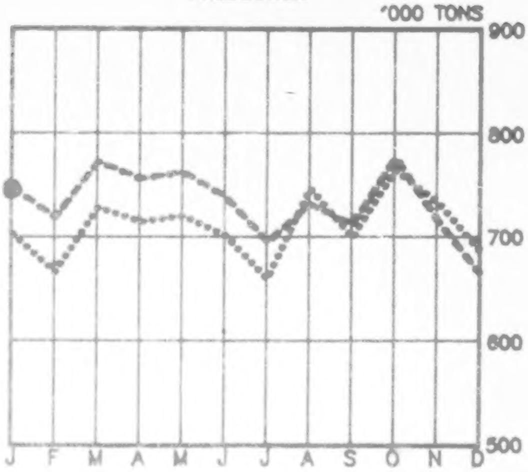
UNBLEACHED KRAFT LINERBOARD

PRODUCTION



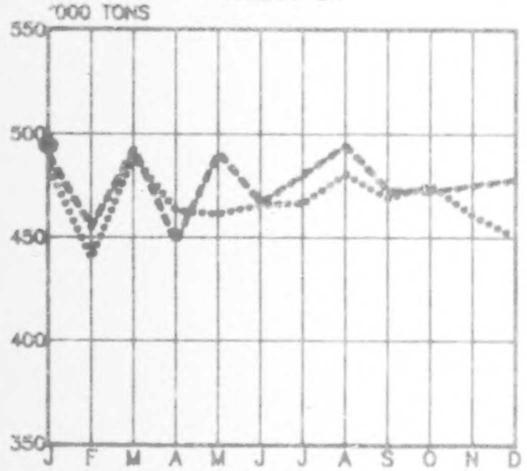
RECYCLED PAPERBOARD

PRODUCTION



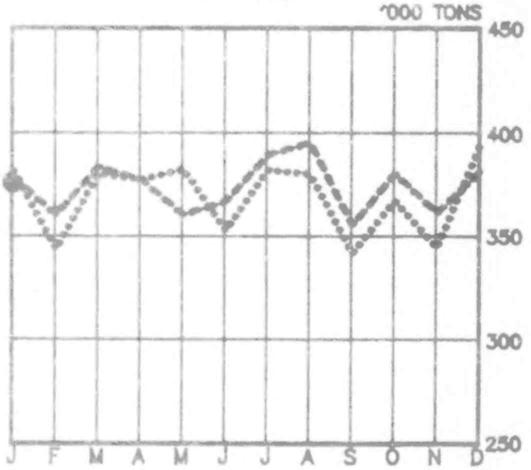
SEMICHEMICAL PAPERBOARD

PRODUCTION



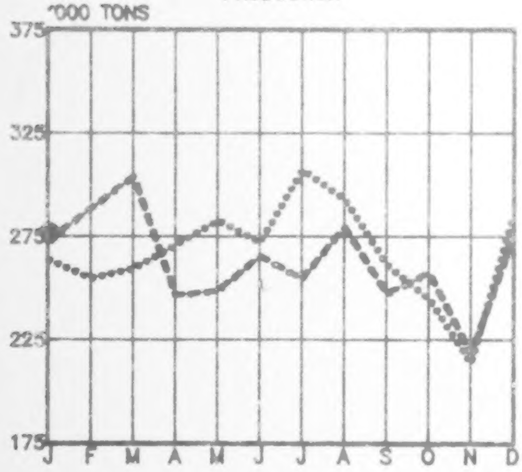
SOLID BLEACHED PAPERBOARD

PRODUCTION



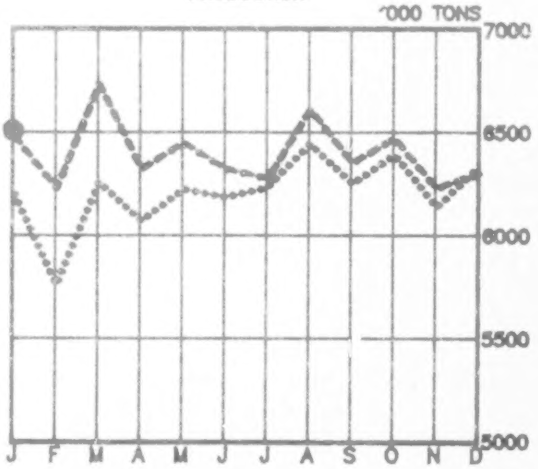
PAPERBOARD FOR EXPORT

PRODUCTION



TOTAL PAPER AND PAPERBOARD

PRODUCTION



● JAN 1989   1987 •••••••• 1988 ▬ ▬ ▬ 1989 ━━━

IMPORTS

	YEAR 1987 Tons	YEAR 1987 $000	1988 NOVEMBER Tons	1988 NOVEMBER $000	1988 DECEMBER Tons	1988 DECEMBER $000	(1) Annual Rate YTD 1988 Tons	% Change from same Period Last Year
* * * *	* *	*	*	* *	*	*	*	*
Pulpwood Roundwood (cords)	15,432	1,746	85	10	2,375	171	39,515	156.1
Pulpwood Chips	525,629	15,476	72,882	2,255	94,469	4,851	888,636	69.1
Total All Imports	17,891,172	9,043,600	1,526,124	920,373	1,141,573	708,072	18,067,659	1.0
Wood Pulp Total	4,850,238	2,069,389	425,283	240,830	314,192	176,527	4,938,158	1.8
Waste Paper	127,398	19,231	11,803	1,776	10,048	1,924	161,367	26.7
Other Fibrous Materials	76,491	27,287	7,967	2,718	5,394	1,914	92,505	20.9
Paper Board & Products Total	12,837,046	6,927,693	1,081,072	675,049	811,939	527,706	12,875,629	0.3
Paper Paperboard Wet Machine Bd. & Construction Paper & Board	12,435,486	5,995,122	1,042,391	588,385	777,437	447,980	12,445,374	0.1
Paper Ppbd & Prds ex Cnst&WMB	12,527,598	6,028,736	1,047,600	663,304	794,360	520,729	12,553,184	0.2
Paper & Paperboard Only	12,126,039	5,896,165	1,008,919	576,640	759,859	441,003	12,122,930	0.0
Paper Total	11,765,208	5,768,703	975,355	563,248	737,693	432,017	11,781,919	0.1
Newsprint	8,986,548	4,121,327	706,871	371,870	539,297	284,335	8,591,503	-4.4
Printing & Writing	2,410,216	1,412,458	234,641	166,231	173,730	127,719	2,787,659	15.7
Uncoated Groundwood	1,269,774	654,767	101,647	60,649	75,279	45,079	1,362,642	7.3
Coated Print.& Impreg. Pap.	674,531	467,865	67,777	56,719	53,209	46,876	788,865	17.0
Uncoated Free Sheet	417,395	249,943	61,981	45,717	41,897	31,855	576,130	38.0
Uncoated Book	210,624	119,775	26,560	19,755	11,745	9,304	246,446	17.0
Writing and Similar Paper	206,771	130,168	35,421	25,962	30,152	22,551	329,683	59.4
Thin (except Cigarette)	47,567	38,831	3,152	3,037	3,259	3,803	55,774	17.3
Bristols	950	1,052	84	108	86	106	4,247	347.1
Total Pkg & Other Paper	310,324	191,620	29,660	21,604	22,145	17,816	343,196	10.6
Unbleached Kraft Paper	168,420	69,828	13,152	6,437	8,262	4,100	161,708	-4.0
Other Pkg. & Indust. Paper	141,904	121,792	16,508	15,167	13,883	13,717	181,488	27.9
Tissue	58,121	43,299	4,184	3,541	2,520	2,147	59,561	2.5
Paperboard, Total	360,831	127,461	33,564	13,392	22,166	8,986	341,011	-5.5
Test or Containerboard	80,981	29,352	9,320	3,820	7,011	2,653	85,682	5.8
Semi-Chemical Corrugating	128,636	33,898	12,402	3,914	6,861	2,164	142,490	10.8
Other Paperboard	151,214	64,211	11,842	5,658	8,295	4,169	112,839	-25.4
Convtd Paper&Paperbd Products	401,559	932,571	38,681	86,664	34,502	79,726	430,255	7.1
Paper Products, Total	368,179	866,121	35,448	80,590	31,476	74,341	393,089	6.8
Paperboard Products, Total	33,380	66,450	3,233	6,074	3,026	5,385	37,166	11.3
Wet machine Board	3,463	2,638	301	252	309	324	4,239	22.4
Construction Paper & Board	305,985	96,320	33,171	11,493	17,269	6,653	318,206	4.0
Notes								
Other: No Weight Avail. ($000)		201,453		13,964		12,504	177,686	-11.8
Total Imports Incl. Other($000)		9,245,053		934,337		720,576	10,720,130	16.0

EXPORTS

Pulpwood, Roundwood (cords)	16,178	913	0	0	35	2	(1) 12,036	-25.6
Pulpwood Chips	2,546,467	188,459	242,218	19,547	415,796	33,798	3,503,100	37.6
Total All Exports	14,797,437	6,007,818	1,393,113	597,922	1,617,650	706,368	17,062,208	15.3
Wood Pulp,Total	4,889,331	2,259,377	419,774	223,991	572,547	303,642	5,528,292	13.1
Cotton Pulp and Other Pulp	182,001	91,365	16,250	10,281	20,941	10,155	201,567	10.8
Waste and Old Paper	4,422,139	553,348	507,449	58,435	524,072	57,212	5,640,118	27.5
Paper, Board & Products,Total	5,303,966	3,103,728	449,640	305,214	500,090	335,360	5,692,231	7.3
Paper,Paperboard,Wet Machine Bd. & Construction Paper & Board	4,578,770	2,280,329	383,853	216,735	430,708	245,954	4,877,563	6.5
Paper, Ppbd & Prod ex Cnst&WMB	5,196,613	3,044,506	439,772	299,662	490,470	330,482	5,560,356	7.0
Paper & Paperboard, Only	4,471,418	2,221,107	373,985	211,182	421,088	241,075	4,745,688	6.1
Paper, Total	921,397	776,181	100,488	85,823	103,933	92,185	1,103,490	19.8
Newsprint	339,773	210,093	48,219	33,377	44,166	30,226	428,296	26.1
Printing & Writing	249,092	242,639	23,819	25,078	27,565	29,465	287,208	15.3
Uncoated Groundwood	55,841	39,750	6,535	5,056	9,858	7,609	70,286	25.9
Clay Coated Paper	100,839	72,145	7,612	5,826	6,806	5,968	97,464	-3.3
Uncoated Free Sheet	67,858	99,330	6,535	10,029	6,648	9,826	82,660	21.8
Other Printing & Writing	24,554	31,414	3,137	4,166	4,253	6,062	36,799	49.9
Total Pkg. & Other Paper	294,201	292,659	26,401	24,762	30,647	30,349	346,718	17.9
Unbleached Kraft	89,194	40,758	10,588	5,005	11,035	6,210	110,075	23.4
Other Pkg. & Indust. Paper	205,007	251,901	15,813	19,757	19,612	24,139	236,643	15.4
Tissue	38,332	30,790	2,049	2,606	1,556	2,146	41,268	7.7
Paperboard, Total	3,550,021	1,444,926	273,497	125,360	317,155	148,890	3,642,198	2.6
Solid Wood Pulp	3,218,952	1,321,618	254,817	116,359	290,677	136,375	3,359,078	4.4
Total Linerboard	2,296,633	812,161	179,357	69,757	206,094	80,657	2,281,362	-0.7
Bleached Kraft Linerboard	102,266	46,429	11,288	5,805	21,090	9,780	140,801	37.7
Unbleached Kraft Linerbd	2,194,367	765,731	168,070	63,952	185,004	70,877	2,140,562	-2.5
Other Unbleached Kraft	210,566	78,596	9,993	5,250	12,843	6,219	292,437	38.9
Other Bleached Kraft	647,803	407,923	61,218	39,333	67,876	47,491	742,918	14.7
Semi-Chemical Corrugating	63,951	22,938	4,250	2,018	3,864	2,008	42,360	-33.8
Recycled Paperboard	331,069	123,308	18,680	9,001	26,479	12,515	283,121	-14.5
Convtd Paper&Paperbd Products	725,196	823,399	65,787	88,479	69,382	89,406	814,668	12.3
Paper Products, Total	301,202	540,681	31,190	57,196	31,977	56,878	367,548	22.0
Paperboard Products, Total	423,994	282,718	34,597	31,283	37,405	32,528	447,121	5.5
Wet Machine Board	17,328	7,816	836	352	918	368	11,691	-32.5
Construction Paper & Board E	90,024	51,405	9,032	5,200	8,702	4,510	120,184	33.5
Notes								
Other: No Weight Avail. ($000)		8,037		867		765	9,170	14.1
Total Exports Incl. Other($000)		6,015,855		598,789		707,134	7,476,533	24.3

SOURCE: Bureau of Census, U.S. Department of Commerce. E - Incl. estim. of tonnage based on square foot data.
(1) Annual Rate Year-To-Date is in tons unless otherwise specified in item description.

PRODUCER PRICE INDEXES

1982 = 100

	1987	1988	OCTOBER 1988	NOVEMBER 1988	DECEMBER 1988	JANUARY 1989	Annual Rate Y-T-D 1989	% Change from same Period Last Year
Pulp, Paper and Products except Building Grades	114.3	124.8	128.2	128.2	128.5	129.3	129.3	8.7
Pulp Paper & Products, ex. Building Grades & ex Waste Paper *	113.2	123.8	127.1	127.5	128.0	128.9	128.9	9.6
Total Wood Pulp	111.5	136.8	145.2	145.2	145.2	149.1	149.1	21.3
Total Paper	111.5	123.2	127.0	127.5	127.7	128.7	128.7	9.0
Total Paper, exc. Newsprint	110.6	123.4	128.6	128.6	128.7	129.5	129.5	10.0
Newsprint	112.3	127.3	127.3	127.1	126.2	126.1	126.1	-0.8
Total Paperboard	118.1	133.2	136.5	136.5	136.5	137.8	137.8	8.8
Total Paper and Paperboard *	111.6	126.3	130.0	130.3	130.5	131.6	131.6	8.9
Converted Products	114.7	123.0	126.1	126.1	127.1	127.6	127.6	7.7
Waste Paper	181.4	183.6	179.2	169.8	158.9	155.3	155.3	-20.0
All Commodities	102.8	106.9	108.2	108.3	109.0	110.3	110.3	5.4
Industrial Commodities	102.6	106.1	107.1	107.4	108.1	109.4	109.4	4.8

SOURCE: Producer Price Indexes; Bureau of Labor Statistics, U.S. Department of Labor   * Computed by API

Paper and Allied Products Companies

Sales and Earnings

	Sales			Net Profit After Taxes			Net Profits/Sales	
	1988	1987	88/87	1988	1987	88/87	1988	1987
	(Thousand Dollars)		%	(Thousand Dollars)		%	%	%
27 Paper and Allied Products Companies								
First Quarter	15,808,482	13,233,865	19.5	1,193,498	712,278	67.6	7.55	5.38
Second Quarter	16,346,683	14,264,077	14.6	1,342,113	898,506	49.4	8.21	6.30
Third Quarter	16,773,686	14,789,070	13.4	1,570,131	979,755	60.3	9.36	6.62
Fourth Quarter	17,188,058	15,259,489	12.6	1,440,832	1,034,610	39.3	8.38	6.78
Year-to-date	66,116,909	57,546,501	14.9	5,546,574	3,625,.49	53.0	8.39	6.30
4 Forest Product Companies								
First Quarter	4,500,193	3,931,746	14.5	256,450	202,868	26.4	5.70	5.16
Second Quarter	5,108,811	4,388,302	16.4	314,428	277,394	13.4	6.15	6.32
Third Quarter	4,967,155	4,818,410	3.1	304,091	292,600	3.9	6.12	6.07
Fourth Quarter	5,717,280	5,103,460	12.0	323,620	278,690	16.1	5.66	5.46
Year-to-date	20,293,439	18,241,918	11.2	1,198,589	1,051,552	14.0	5.91	5.76

series that appear in index form, and for 1983 through 1988.

After declining 2.1% in 1985, U.S. production of paper and paperboard (excluding the construction grades) advanced 5.8% in 1986, 5.0% in 1987, and 3.1% last year. These above-trend gains -- production grew at an average rate of 2.7% a year from 1978 through 1988 -- stemmed from strong increases in domestic consumption as well as from export growth. As a result of the solid gains in production, the industry's rate of capacity utilization climbed from 90% in 1985 to 93.5% in 1986 and 95.2% in 1987. The 1988 rate of capacity utilization rose fractionally, to 95.5%.

New supply of paper and paperboard (production plus imports less exports) rose at an average annual rate of 2.7% in the 1978-88 period, which coincided with the rate of increase of production for the same ten-year period. Looked at another way, domestic production equaled 91.4% of new supply in 1978 and 91.6% of new supply in 1988. However, there were some notable variations within the period. For instance, domestic production amounted to nearly 95% of new supply during 1980-82, years that were characterized by two recessions and consecutive annual declines in imports of paper, paperboard and converted products. Production's share of new supply amounted to 91% in 1986 and 1987, but then edged up to 91.6% in 1988 as export growth outpaced import gains. Net imports fell from 7.3 million tons in 1987 to 7.0 million tons last year.

The industry's exports of paper, paperboard, and converted products rose 14.6% in 1986, 13.2% in 1987, and 7.0% in 1988, for a cumulative three year gain of 38.7%. The strong export gains reflected the return of the dollar's trade-weighted exchange rate to levels more in line with economic fundamentals and the industry's increased cost-competitiveness resulting from large capital outlays for modernization. Imports of paper, paperboard, and converted products have risen 13.0% since 1985.

The second tier of the table reports market pulp production, which grew at an average annual rate of 5% during the past ten years. Market wood pulp production rose 11.4% in 1986, 7.2% in 1987, and 3.4% last year. Last year's market pulp production total was equivalent to the reported capacity.

Industry consumption of waste paper grew 5.8% in 1987 and 3.5% last year. At the same time, exports of waste paper surged 18% in 1987 and 28% in 1988. Those consumption and export gains brought the recovery rate for recyclable paper from 27.7% in 1986 to 29.8% in 1988.

Other important information included in the table on page 12 include demand indicators for paper and board, and data series pertaining to employment, productivity, sales, earnings, newsprint, fibre boxes, and national economic trends.

PAPER AND PAPERBOARD — Tons (000)	1977	1983	1984	1985	1986	1987	1988
Total Production (API).......: excluding :...	56,656	64,964	68,468	67,030	70,889	74,435	76,705
Imports (including Products).: and wet :..E	7,294	8,509	10,576	11,106	11,597	12,454	12,553
Exports (including Products).: machine :..E	3,171	4,502	4,310	4,003	4,593	5,197	5,560
Apparent Consumption.........: grades :...	60,779	68,971	74,734	74,133	77,893	81,692	83,698
Paper Production % Tonnage Capacity...........	92.9	91.9	92.8	90.5	93.2	94.1	95.5
Paperboard Production % Tonnage Capacity......	90.0	90.8	94.6	90.0	94.3	96.8	96.7
IMPORTS.....:Including Construction and :...	7,432	8,906	11,075	11,521	11,936	12,837	12,876
EXPORTS.....: WMB Grades (excl. HPB) :...	3,220	4,569	4,387	4,077	4,687	5,304	5,797
MARKET WOOD PULP PRODUCTION - Tons (000).........	1,820	6,526	6,899	6,800	7,572	8,114	8,455
TOTAL WOOD PULP PRODUCTION - Tons (000)..........	46,648	52,454	55,471	54,147	57,005	59,552	61,210
WOOD PULP IMPORTS - TONS (000)...................	3,864	4,091	4,490	4,466	4,582	4,850	4,938
WOOD PULP EXPORTS - TONS (000)...................	2,640	3,644	3,594	3,791	4,458	4,889	5,528
RAW MATERIALS CONSUMPTION - Tons (000)							
..PAPER AND BOARD MILLS : excluding :							
Wood Pulp.............:consumption for:.....	45,805	51,422	54,994	55,047	57,061	59,475	60,892
Waste Paper...........:construction & :.....	14,058	14,896	15,926	15,623	17,285	18,296	18,859
TOTAL..........: WMB grades :.....	59,863	66,318	70,920	70,670	74,345	77,770	79,751
PULPWOOD CONSUMPTION Cords(000)Amer.Pulpwd. Assn	73,970	85,442	87,646	85,744	91,434	93,946	95,497
EMPLOYMENT (000)							
Paper and Allied Products..........Total......	691.6	661.2	680.9	677.7	673.7	679.0	689.3
Pulp, Paper and Board Mills........Total.....E	272.3	256.2	257.2	252.3	248.1	244.9	245.5
AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS ($)							
Paper and Allied Products......................	5.96	9.93	10.41	10.82	11.18	11.42	11.64
Pulp, Paper Mills..........................E	6.75	11.70	12.43	13.11	13.63	14.00	14.29
Paperboard Mills...........................E	6.94	12.11	12.99	13.60	13.98	14.30	14.48
CAPITAL EXPENDITURES, PAPER & ALLIED PRODUCTS (Rept. by US Dept. of Com., Ann. Rates, Bill.$)*	3.48	5.92	7.21	8.59	8.77	9.01	11.17
INDEX OF OUTPUT PER MAN-HOUR (1977=100)..........							
:IN PULP, PAPER :...Production Workers..........	100.0	121.4	124.0	123.6	131.2	140.1	144.6
:AND BOARD MILLS:...All Employees...............	100.0	119.6	121.9	122.1	128.6	136.8	141.2
PAPER AND ALLIED PRODUCTS (Million $)							
Industry Shipments (Dept. of Commerce)*........	52,086	84,589	94,813	93,413	103,916	118,355	127,740
Pulp, Paper and Paperboard*...................	22,303	36,071	41,384	39,173	44,033	51,518	57,136
Inventories (End of Period) - Total Industry*..	5,642	9,263	10,128	9,908	10,429	11,284	12,090
Pulp, Paper and Paperboard*..................	2,899	3,440	3,822	3,828	4,115	4,266	4,318
Sales (Corporations Only)......................	45,750	65,008	71,891	71,465	74,844	95,576	106,767 *
Earnings (Corporations Only)...................	2,367	2,327	3,015	2,880	3,280	5,520	8,221 *
Depreciation (Corporations Only)...............	1,663	2,607	2,798	3,099	3,389	4,279	4,607 *
Net Worth (Corporations Only)..................	19,704	27,219	28,160	29,694	31,221	39,217	43,015 *
PRICE INDEXES (Bureau of Labor Stats)1982=100							
Pulp, Paper & Products, ex. Building Grades....	68.6	99.3	107.3	106.9	107.5	114.3	124.7
Wood Pulp......................................	74.2	91.5	104.8	91.4	94.7	111.6	136.7
Waste Paper....................................	154.6	151.3	198.2	122.9	142.6	181.4	183.5
Paper..	67.8	98.5	105.8	106.0	107.0	111.5	123.2
Paperboard.....................................	69.1	98.4	110.4	107.7	106.5	118.1	133.2
PAPER DEMAND (INDEXED: 1977=100)							
Total Paper Production *.......................	100.0	118.4	124.3	122.8	128.0	133.8	138.9
Paper New Supply *............................	100.2	117.8	127.6	128.7	133.7	140.6	144.1
Demand Indicators - (Weighted Average) *.....	100.0	122.2	134.8	140.7	146.4	154.5	163.8
Production of Nondurable Goods *...(21.2%).	100.0	113.7	122.2	125.3	130.1	136.8	143.9
Disposable Income ....*.(23.9%)	100.0	111.8	119.5	123.0	127.8	130.0	135.0
Total Printing and Publishing *...(54.9%).	100.0	129.6	146.4	154.3	160.9	172.0	184.0
PAPERBOARD DEMAND (INDEXED: 1977=100)							
Total Paperboard Production *.................	100.0	111.1	117.6	114.3	121.9	129.1	132.0
Production for Domestic Use	100.0	107.5	115.4	112.8	118.7	126.5	129.3
Demand Indicators - (Weighted Average) *.....	100.0	107.9	118.1	120.1	121.9	125.9	132.5
Production of Consumer Goods *...(62.06%)	100.0	109.3	118.0	120.5	124.1	127.7	133.9
Production of Equipment *...(5.75%)	100.0	121.7	140.5	146.4	143.7	148.8	158.2
Production of Materials *...(32.19%)	100.0	102.8	114.2	114.5	113.8	118.3	125.3
NEWSPRINT MARKETS							
Consumption by Publishers - Tons (000).........	10,230	11,674	12,603	12,773	13,158	13,583	[illegible]
Newspaper Pub. and Printing Empl. Total(000)...	396	426	440	454	461	471	478
PRINTING AND FINE PAPER MARKETS							
MAGAZINE ADVERTISING PAGES (PIB, Inc.)...........	105,389	141,859	157,798	155,545	154,317	164,771	166,620
WHOLESALERS SALES AND INVENTORIES (Million $)							
Total Paper & Pap. Prdcts.,ex Wallpaper..Sales	N.A.	28,617	34,473	36,798	38,245	44,741	52,288
Inventories (End of Period).	N.A.	26,732	2,951	3,267	3,577	3,850	4,322
FIBRE BOX DATA (Fibre Box Association)							
Fibre Box Shipments (Million square feet).......	227,198	252,539	267,547	267,451	283,921	297,827	307,457
Container'bd Inventory at Mill & Plant(000Tons).	2,437	2,437	2,882	2,549	2,238	2,486	2,552
RETAIL TRADE (Billion $)							
Total Retail Sales *..........................	722,489	1,171,191	1,289,273	1,379,621	1,437	1,509	1,606
Nondurable Goods Stores Sales *...............	473,071	773,260	821,993	861,640	899	951	999
GENERAL ECONOMIC DATA							
TOTAL INDUSTRIAL PRODUCTION (INDEX 1977 = 100)*..	100.0	109.2	121.4	124.2	125.1	129.8	137.2
PRODUCER PRICES(ALL COMMODITIES)(INDEX 1982=100).	64.9	101.3	103.7	103.2	100.2	102.8	106.9
CONSUMER PRICES (ALL ITEMS) (INDEX 1982-4=100)...	60.6	99.6	103.9	107.6	109.6	113.6	118.3
TOTAL CONSUMER CREDIT OUTSTANDING - (Billion $)..	223.0	380.0	453.0	531.0	586.3	623.6	679.3
GROSS NATIONAL PRODUCT - ANNUAL RATE (Billion$)..							
G.N.P. or Expenditure - Current $..............	1,991	3,406	3,772	4,015	4,240	4,527	4,862
G.N.P. or Expenditure - 1982 $.................	2,959	3,279	3,501	3,619	3,722	3,847	3,995

Note: Wood Pulp production excludes def., explo. & scrngs.

* First three quarters at annual rate.

A 2500-2

INDUSTRY FACT SHEET

AMERICAN PAPER INSTITUTE, INC.
260 Madison Avenue
New York, New York 10016

February 27, 1988

	PRODUCTION (000 TONS)					
*	(P)	*	*	*	*	% CHANGE
	JANUARY 1989	DECEMBER 1988	JANUARY 1988	FIRST MONTH 1989	1988	YR TO DATE 1988/1987
PAPER GRADES						
Newsprint	507	512	499	507	499	1.7
Printing & Writing	1,785	1,756	1,832	1,785	1,832	-2.6
Uncoated Groundwood (s)	143	125	128	143	128	12.3
Coated Paper (s)	627	573	638	627	638	-1.6
Uncoated Free Sheet Paper (s)	890	930	944	890	944	-5.6
Thin Paper (s)	19	18	19	19	19	-4.8
Cotton Fiber Paper (s)	13	15	13	13	13	-1.0
Bleached Bristols (s)	92	95	90	92	90	2.0
Tissue Paper	481	450	448	481	448	7.2
Total Pkg & Other Paper	456	423	443	456	443	2.9
Unbl. Kraft Paper (s)	273	258	265	273	265	2.9
Other Paper	183	165	178	183	178	3.0
TOTAL PAPER	3,229	3,140	3,222	3,229	3,222	0.2
PAPERBOARD GRADES						
Unbleached Kraft Paperboard	1,666	1,635	1,637	1,666	1,637	1.8
Unbleached Kraft Linerboard	1,554	1,526	1,530	1,554	1,530	1.6
Other Unbl. Kraft Paperboard	113	110	107	113	107	5.0
Semichemical Paperboard	495	478	488	495	488	1.3
Bleached Paperboard	377	381	378	377	378	-0.2
Recycled Paperboard	744	663	745	744	745	-0.2
TOTAL PAPERBOARD	3,282	3,157	3,249	3,282	3,249	1.0
TOTAL PAPER AND PAPERBOARD	6,511	6,297	6,470	6,511	6,470	0.6

WOOD PULP (ALL GRADES)	DECEMBER 1988	NOVEMBER 1988	DECEMBER 1987	TOTAL YEAR 1988	1987	% Change 88/87
Dissolving & Special Alpha	127	112	109	1,367	1,312	4.2
Bleached Sulfite) Unbleached Sulfite)	143	127	121	1,560	1,440	8.3
Bleached & Semi-Bl. Sulfate	2,323	2,169	2,237	26,302	25,411	3.5
Unbleached Sulfate	1,838	1,711	1,869	21,681	21,442	1.1
Semichemical	368	366	339	4,357	4,246	2.6
Groundwood & Thermomechanical	484	489	484	5,943	5,702	4.2
TOTAL PULP DIVISION DATA	5,282	4,974	5,160	61,210	59,552	2.8

(s) - Shipments
P - Preliminary

FEBRUARY 28, 1989

	Full Year		INDUSTRY DATA 1988 - 1989			Ann. Rate Year - To - Date	% From Same Pd. Last Year
				R	P		
PAPER AND PAPERBOARD -- Tons (000)	1987	1988	November	December	January	1989	
Total Production (API).......: excluding :...	74,435	76,705	6,223	6,297	6,511	78,132	0.6
Total Seasonally Adjusted....:construction:...			6,376	6,307	6,377	76,529	0.3
Imports (including Products).: and wet :..E	12,154	12,553	1,048	794	1,046	12,552	1.2
Exports (including Products).: machine :..E	5,197	5,560	440	490	477	5,724	21.3
Apparent Consumption.........: grades :...	81,692 a	83,698 b	6,984	6,611	6,946	84,960 c	1.1
Paper Production % Tonnage Capacity...........	94.1 g	95.5	94.7	90.7	93.5	93.5	-
Paperboard Production % Tonnage Capacity......	96.8 g	96.7	92.1	91.8	95.2	95.2	-
			October	November	December		
IMPORTS.....:Including Construction and :...	12,837	12,876	1,077	1,081	812	N.A.	N.A.
EXPORTS.....: WMB Grades (excl. HPB) :...	5,304	5,797	437	450	500	N.A.	N.A.
			October	November	December		
MARKET WOOD PULP PRODUCTION - Tons (000)........	8,114	8,455	646	684	764	N.A.	N.A.
TOTAL WOOD PULP PRODUCTION - Tons (000)..........	59,552	61,210	5,079	4,974	5,283	N.A.	N.A.
WOOD PULP IMPORTS - TONS (000)...................	4,850	4,938	436	425	314	N.A.	N.A.
WOOD PULP EXPORTS - TONS (000)...................	4,889	5,528	421	420	573	N.A.	N.A.
RAW MATERIALS CONSUMPTION - Tons (000)							
..PAPER AND BOARD MILLS : excluding :			October	November	December		
Wood Pulp.............:consumption for:.....	59,475	60,892	5,158	4,962	5,113	N.A.	N.A.
Waste Paper...........:construction & :.....	18,296	18,859	1,601	1,569	1,507	N.A.	N.A.
TOTAL..........: WMB grades :.....	77,770	79,751	6,759	6,531	6,620	N.A.	N.A.
PULPWOOD CONSUMPTION Cords(000)Amer.Pulpwd. Assn	93,946	95,497	7,908	7,887	8,198	N.A.	N.A.
EMPLOYMENT (000)			November	December	January		
Paper and Allied Products..........Total......	679.0	689.3	692.8	692.9	690.1	690.1	1.2
Pulp, Paper and Board Mills........Total.....E	244.9	245.5	244.3	244.6	243.5	243.5	-0.3
AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS ($)			November	December	January		
Paper and Allied Products......................	11.42	11.64	11.72	11.78	11.78	11.78	2.1
Pulp, Paper Mills..........................E	14.00	14.29	14.51	14.47	14.47	14.47	3.3
Paperboard Mills...........................E	14.30	14.48	14.58	14.60	14.60	14.60	1.3
CAPITAL EXPENDITURES, PAPER & ALLIED PRODUCTS			1988 Q2	1988 Q3	1988 Q4		
(Rept. by US Dept. of Com., Ann. Rates, Bill.$)*	9.01	11.17	11.09	11.37	12.29	14.33 Y	28.3
INDEX OF OUTPUT PER MAN-HOUR (1977=100)..........			November	December	January		
:IN PULP, PAPER :...Production Workers..........	140.1	144.8	144.5	142.9	147.8	147.8	2.3
:AND BOARD MILLS:...All Employees...............	137.0	141.5	141.1	140.1	144.4	144.4	2.2
PAPER AND ALLIED PRODUCTS (Million $)			October	November	December		
Industry Shipments (Dept. of Commerce)*........	118,855	127,718	10,669	10,779	10,956	N.A.	N.A.
Pulp, Paper and Paperboard*..................	51,518	57,177	4,761	4,794	4,860	N.A.	N.A.
Inventories (End of Period) - Total Industry*..	11,284	12,065	11,835	11,939	12,065	N.A.	N.A.
Pulp, Paper and Paperboard*..................	4,266	4,325	4,196	4,253	4,325	N.A.	N.A.
			1988 Q1	1988 Q2	1988 Q3		
Sales (Corporations Only)......................	95,576	106,767 h	25,504	27,227	27,344	N.A.	N.A.
Earnings (Corporations Only)...................	5,520	8,221 h	1,744	2,195	2,227	N.A.	N.A.
Depreciation (Corporations Only)...............	4,279	4,607 h	1,169	1,124	1,162	N.A.	N.A.
Net Worth (Corporations Only)..................	39,217	43,015 i	40,213	41,621	43,015	N.A.	N.A.
PRICE INDEXES (Bureau of Labor Stats)1982=100			November	December	January		
Pulp, Paper & Products, ex. Building Grades....	114.3	124.7	128.2	128.5	129.3	129.3	8.7
Wood Pulp......................................	111.6	136.7	145.2	145.2	149.1	149.1	21.3
Waste Paper....................................	181.4	183.5	168.8	158.9	155.3	155.3	-20.0
Paper..	111.5	123.2	127.5	127.7	128.7	128.7	9.0
Paperboard.....................................	118.1	133.2	136.5	136.5	137.8	137.8	8.8
PAPER DEMAND (INDEXED: 1977=100)			November	December	January		
Total Paper Production *......................	133.8	138.9	139.8	137.4	137.0	137.0	-0.1
Paper New Supply *............................	140.6	144.1	144.4	133.8	142.2	142.2	-0.7
Demand Indicators - (Weighted Average) *.....	154.5	163.8	167.4	168.2	169.9	169.9	6.8
Production of Nondurable Goods *...(21.2%).	136.8	143.9	146.7	147.6	148.6	148.6	5.1
Disposable Income ....*.(23.9%)	130.0	135.0	136.6	137.5	139.0	139.0	4.8
Total Printing and Publishing *...(54.9%).	172.0	184.0	188.8	189.5	191.5	191.5	7.9
Trend Factor	--------	--------	--------	Not Available	--------	--------	--------
PAPERBOARD DEMAND (INDEXED: 1977=100)							
Total Paperboard Production *.................	129.1	132.0	130.5	129.9	133.2	133.2	0.7
Production for Domestic Use	126.9	129.1	129.7	126.6	130.0	130.0	0.6
Demand Indicators - (Weighted Average) *.....	125.9	132.5	135.3	136.3	136.9	136.9	5.4
Production of Consumer Goods *...(62.06%)	127.7	133.9	136.7	138.0	138.9	138.9	5.9
Production of Equipment *...(5.75%)	148.8	158.2	159.9	160.3	160.5	160.5	4.0
Production of Materials *...(32.19%)	118.3	125.3	128.3	128.7	129.7	128.7	4.6
Trend Factor	--------	--------	--------	Not Available	--------	--------	--------
NEWSPRINT MARKETS			October	November	December		
Consumption by Publishers - Tons (000).........	13,583	13,598	1,251	1,206	1,144	N.A.	N.A.
Newspaper Pub. and Printing Empl. Total(000)...	471	478	480	482	483	N.A.	N.A.
PRINTING AND FINE PAPER MARKETS							
MAGAZINE ADVERTISING PAGES (PIB, Inc.)...........	164,771	166,620	17,264	17,024	14,831	N.A.	N.A.
WHOLESALERS SALES AND INVENTORIES (Million $)							
Total Paper & Pap. Prdcts.,ex Wallpaper..Sales	44,741	52,288	4,625	4,551	4,354	N.A.	N.A.
Inventories (End of Period).	3,850	4,322	4,401	4,290	4,322	N.A.	N.A.
FIBRE BOX DATA (Fibre Box Association)			November	December	January		
Fibre Box Shipments (Million square feet).......	297,827	307,457	24,957	23,467	26,444	317,328	6.4
Container'bd Inventory at Mill & Plant(000Tons)	2,486	2,552	2,487	2,552	2,719	2,719	2.1
RETAIL TRADE (Billion $)			November	December	January		
Total Retail Sales *.........................	1,509	1,606	138	138	139	1,667	7.9
Nondurable Goods Stores Sales *..............	951	999	86	86	86	1,038	8.0
GENERAL ECONOMIC DATA			November	December	January		
TOTAL INDUSTRIAL PRODUCTION (INDEX 1977 = 100)*..	129.8	137.2	139.9	140.6	141.1	141.1	5.0
PRODUCER PRICES(ALL COMMODITIES)(INDEX 1982=100).	102.8	106.9	108.3	109.0	110.3	110.3	5.4
CONSUMER PRICES (ALL ITEMS) (INDEX 1982-4=100)...	113.6	118.3	120.3	120.5	121.1	121.1	4.7
			October	November	December		
TOTAL CONSUMER CREDIT OUTSTANDING - (Billion $)..	623.6	679.3	661.2	665.7	679.3	N.A.	N.A.
GROSS NATIONAL PRODUCT - ANNUAL RATE (Billion$)..			1988 Q2	1988 Q3	1988 Q4		
G.N.P. or Expenditure - Current $..............	4,527	4,862	4,824	4,909	4,990	N.A.	N.A.
G.N.P. or Expenditure - 1982 $.................	3,847	3,995	3,985	4,009	4,029	N.A.	N.A.

	lb/capita			
	Pap&Papbd	Othr	Totl	Popul(mil)
.a	- 670 +	17 =	687	243.9
.b	- 682 +	17 =	699	245.5
.c	- 692 +	17 =	709	245.5

.E - Last month estimated by API

f - Wood Pulp Production excludes def., explo. & scrngs.
g - Adjusted for holiday shutdowns
h - First 3 quarters, annual rate
Q - Quarter
i - End of September

Y - Full year estim. by U.S. Dept. of Com.

* - Seasonally Adjusted.

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Paper Paperboard & Wood Pulp

MONTHLY STATISTICAL SUMMARY · Vol. 67 No. 3 MARCH 1989

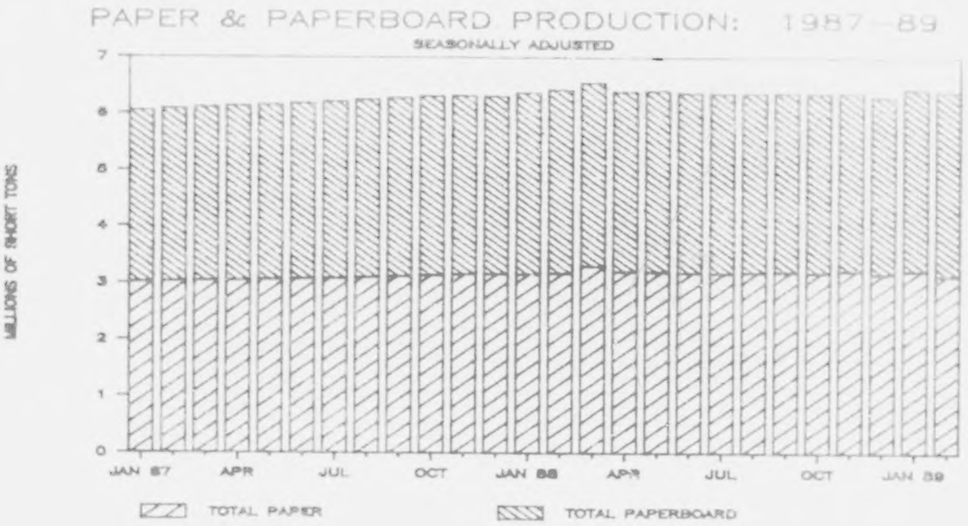
PAPER AND PAPERBOARD PRODUCTION CONTINUES AT RECORD-HIGH LEVELS

The January-February 1989 rate of paper and paperboard production continued at the record-high level it has maintained since the beginning of 1988. On the basis of weekly data, production in March also appears to have remained at this level, keeping the estimated seasonally-adjusted production rate for the first quarter at 77 million tons per year.

The table on page 3 shows that the seasonally-adjusted production rates for both paper and paperboard were each close to their year-ago levels and, indeed, to their respective 1988 averages as well.

The seasonally-adjusted data shown on page 3 are based on new seasonal factors for total paper and total paperboard computed by the API Economics Department. These factors reflect two full years of operations under the new workday rules, which no longer require mills to close on specified days.

The chart below shows the seasonally-adjusted monthly totals for paper and paperboard for 1987, 1988 and the first two months of 1989 computed in terms of these new seasonal factors.



Continued on Page 2

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Paper: Among the paper grades, shipments of uncoated groundwood papers and bleached bristols recorded the largest gains over year-ago levels in the first two months of 1989. Some of the strength in demand for groundwood papers came from publishers of catalogs and directories, but the larger part reflected demand by commercial printers.

Shipments of uncoated free sheet papers held close to their year-ago levels so far in 1989, but the composition of demand is changing. For example, there is evidence of a shift toward cut-size papers in line with the growing number of personal computers.

Newsprint production eased from its year-ago levels in the first two months of 1989, but imports in January 1989 rose and newsprint consumption continued to recover from its mid-1988 dip in demand.

Paperboard: The seasonally adjusted rate of paperboard production in the first two months of 1989 just about matched its year-ago level. However, the actual production total fell a bit because of the leap-year day in 1988.

Containerboard production for domestic use was a shade below its year-ago levels in this period. However, fiber box shipments showed a 1.9% gain (see Industry Data Sheet), pointing to continued strength in the demand for containerboard. Production of boxboard for domestic use fell below its January-February 1988 level during the corresponding 1989 period, with declines in production for domestic use of solid bleached and recycled folding boxboard only partially offset by gains in the unbleached kraft grades.

Production of paperboard for export was slightly below its year-ago level. However, the rate was above that of 1988 as a whole (see table on page 3).

IMPORTS AND EXPORTS

As of January 1989 the Department of Commerce began to report imports and exports based on the new Harmonized Commodity Description and Coding System, which will now be used by all the major trading countries of the world and many of the smaller ones as well.

Representatives of the American Paper Institute played a major role in designing the codes for the paper and allied products industry, assuring the domestic industry of the ability to align the new codes with the old. We will be able to combine the new codes into groups corresponding to the current production classifications. The format of the tables on pages 7 and 9 showing import and export data will, therefore, remain unchanged.

Continued on Page 11

PAPER AND PAPERBOARD STATISTICS

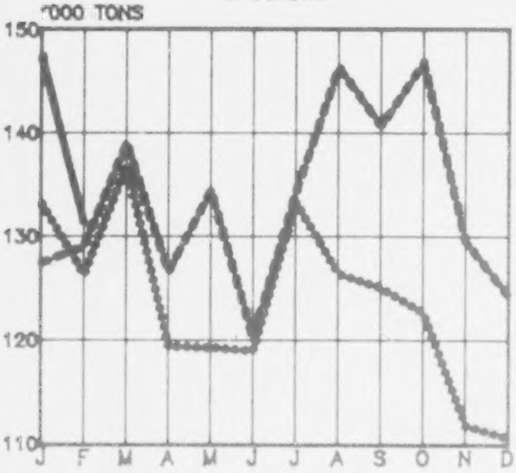
PRODUCTION, SHIPMENTS AND ORDERS
(Thousands of Short Tons)

	YEAR 1987	YEAR 1988	NOVEMBER 1988	DECEMBER 1988 (R)	JANUARY 1989 (P)	FEBRUARY 1989 (P)	Annual Rate Y-T-D 1989	% Change From same Period Last Year
PAPER								
Newsprint - Production	5,842	5,982	493	512	507	445	5,713	-2.6
- Shipments	5,854	5,969	502	523	482	454	5,611	-2.7
Printing & Writing Sum	20,780	21,819	1,788	1,756	1,871	1,699	21,422	-0.8
Groundwood Paper - Shipments	1,485	1,601	130	125	148	131	1,673	8.6
- New Orders	1,529	1,630	113	177	140	131	1,637	4.1
-Unfilled Orders	164	207	145	207	182	197	197	10.1
Coated Papers - Shipments	6,860	7,161	606	573	613	551	7,100	-3.8
- New Orders	7,066	7,406	575	570	585	559	6,866	-5.0
- Unfilled Orders	708	722	729	722	674	692	692	4.7
Unctd Free Sheet - Shipments	10,977	11,327	922	930	965	899	11,185	0.1
- New Orders	11,184	11,365	880	989	914	925	10,852	-2.7
- Unfilled Orders	773	781	717	781	682	698	698	-6.3
Thin Papers - Shipments	251	227	21	18	15	17	190	-26.6
Cotton Fiber Paper - Shipments	161	164	13	15	13	11	157	-3.6
Bleached Bristols - Production	1,044	1,135	97	95	97	89	1,115	4.0
Tissue Paper - Production	5,301	5,476	445	458	466	435	5,403	1.3
Total Packaging & Other Paper	5,474	5,199	433	423	455	408	5,175	-1.9
Unbl. Kraft Paper - Shipments	3,081	3,038	254	254	259	233	3,016	-3.7
Other Paper - Production	1,993	2,162	185	165	185	174	2,159	0.6
TOTAL PAPER-Production-Unadj.	36,996	38,476	3,155	3,140	3,239	2,986	37,712	-0.9
-Production-S.A. RS			3,228	3,172	3,232	3,145	38,266	0.4
PAPERBOARD - PRODUCTION								
Solid Wood Pulp Furnish	28,344	29,459	2,341	2,491	2,525	2,297	28,934	-1.3
Total Unbl. Kraft Paperboard	18,913	19,268	1,508	1,635	1,653	1,522	19,049	-0.9
Unbl. Kraft Linerboard (1)	17,682	17,996	1,412	1,526	1,540	1,430	17,820	-0.9
Production for Export	2,318	2,353	153	212	206	217	2,536	-1.3
Other Unbl. Kraft Paperboard	1,232	1,272	97	110	113	92	1,229	-0.4
Semichemical Paperboard	5,600	5,708	475	470	495	437	5,592	-1.1
Production for Export	189	136	14	10	16	11	159	29.2
Solid Bleached Paperboard	4,420	4,482	358	378	377	338	4,293	-3.4
Production for Export	619	601	48	50	56	43	595	-1.5
Recycled Paperboard	8,506	8,771	715	684	756	690	8,732	-0.7
Production for Export	75	60	3	2	4	2	36	-44.7
TOTAL PAPERBOARD-Prod.-Unadj.	37,439	38,230	3,056	3,155	3,281	2,996	37,666	-1.2
- Containerboard Prod.(Dom. Use)	23,028	23,531	1,906	1,963	2,016	1,823	23,037	-0.9
- Boxboard Prod.(Dom. Use)	6,917	7,107	579	585	610	556	7,001	-2.1
- All Other P'bd Prod.(D.U.)	4,293	4,443	356	329	374	343	4,302	-1.7
- Total Paperbd Prod. for Export	3,201	3,149	218	274	281	273	3,326	-1.1
TOTAL PAPERBOARD PROD.- S.A. RS			3,146	3,133	3,214	3,254	38,812	0.2
TOTAL PAPER AND PAPERBOARD								
Production - Unadj.	74,435	76,706	6,222	6,295	6,580	5,983	75,378	-1.1
Production - S.A. RS			6,374	6,305	6,446	6,400	77,078	0.3

(1) Includes all exports of kraft paperboard. R - Revised P - Preliminary S.A. - Seasonally Adjusted

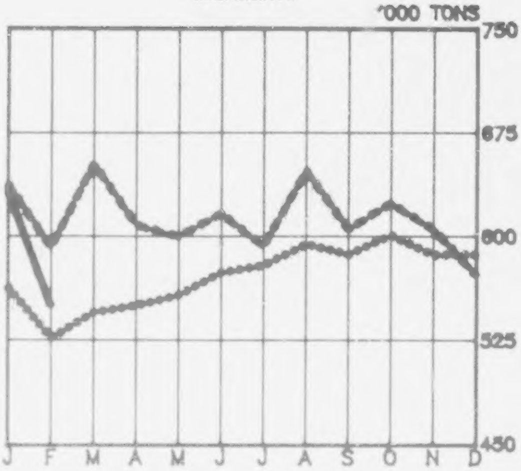
GROUNDWOOD PAPER, UNCOATED

SHIPMENTS



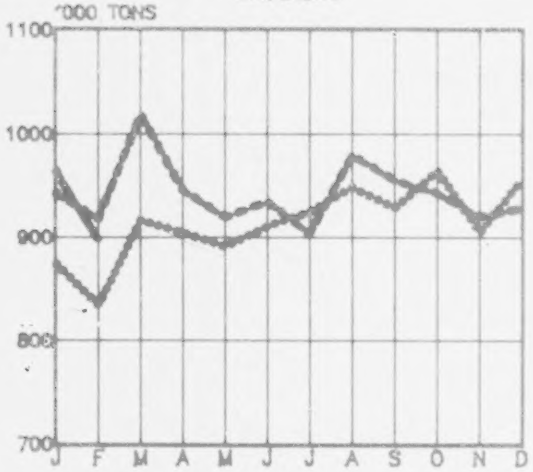
COATED PAPER

SHIPMENTS



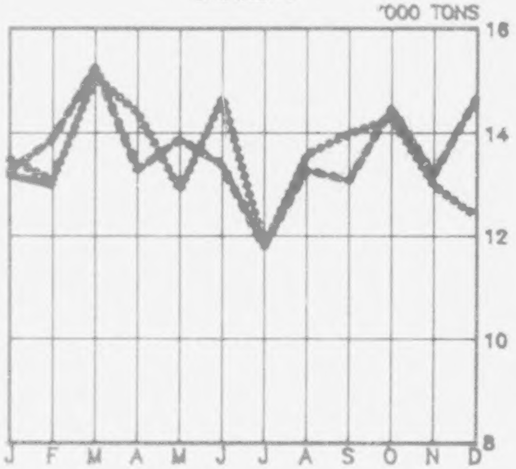
UNCOATED FREE SHEET PAPERS

SHIPMENTS



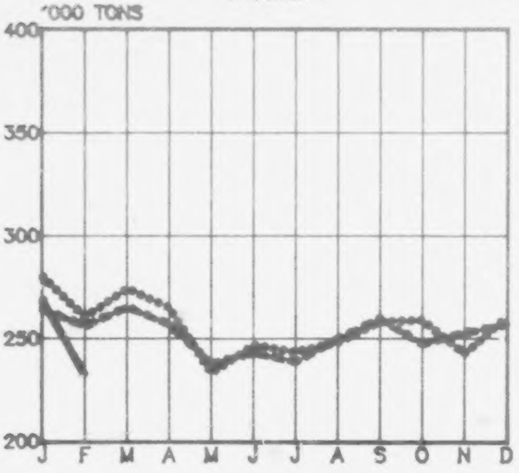
COTTON FIBER PAPER

SHIPMENTS



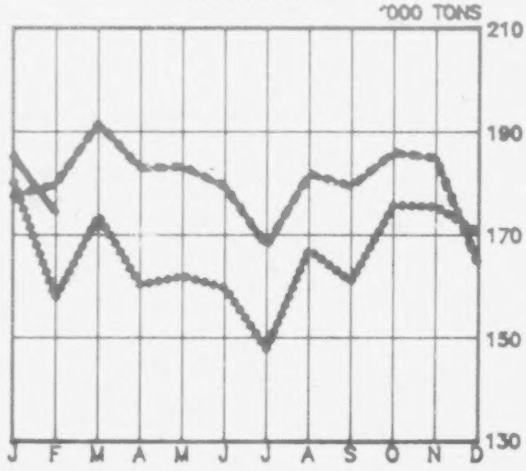
UNBLEACHED KRAFT PACKAGING AND INDUSTRIAL CONVERTING PAPER

SHIPMENTS



OTHER PAPER

PRODUCTION



1987 ········ 1988 -•-•-•- 1989 ——

WOOD PULP STATISTICS
(Thousands of Tons)

	YEAR 1987	 1988	OCTOBER 1988	NOVEMBER 1988	DECEMBER 1988	JANUARY 1989	Annual Rate Y-T-D 1989	% Change from same Period Last Year
TOTAL WOOD PULP					R	P		
Total Wood Pulp - Production	59,552	61,210	5,079	4,974	5,282	5,471	65,653	3.2
- Imports	4,850	4,918	436	425	314	532	6,389	36.5
- Exports	4,889	5,529	421	420	572	457	5,487	17.1
- New Supply	59,513	60,620	5,094	4,980	5,024	5,546	66,554	4.6
Dissolving Pulp - Production	1,312	1,357	99	112	127	127	1,524	20.8
- Imports	198	248	15	11	25	19	225	-7.9
- Exports	752	865	74	73	89	55	656	-18.4
- New Supply	757	751	40	69	64	91	1,094	55.8
Paper Grades - Chemical Pulp - Production	48,293	49,543	4,100	4,007	4,301	4,420	53,131	3.0
- Imports	4,456	4,229	374	366	274	482	5,783	36.4
- Exports	4,111	4,612	144	340	475	394	4,729	22.3
- New Supply	48,617	49,259	4,330	4,033	4,099	4,515	54,185	4.3
Groundwood and Thermo-Mech. - Production	5,702	5,943	474	485	483	520	6,236	0.8
- Imports	197	161	87	23	14	32	380	94.9
- Exports	28	51	4	6	6	9	102	509.6
- New Supply	5,872	6,053	557	502	491	543	6,514	2.3
Semi-Chemical - Production	4,248	4,357	367	366	369	397	4,762	3.9
- Imports								
- Exports								
- New Supply	4,248	4,357	367	366	369	397	4,762	3.9
MARKET WOOD PULP								
Total Market Wood Pulp - Production	8,114	8,456	646	684	764	785	9,424	8.1
- Imports	3,239	3,473	283	289	298	280	3,362	3.1
- Exports	4,820	4,762	380	363	503	398	4,774	9.7
- New Supply	6,529	6,966	551	604	560	668	8,012	5.0
Dissolving Pulp - Production	1,309	1,365	99	112	127	127	1,522	20.8
- Imports	154	296	9	19	22	7	89	-61.0
- Exports	775	790	56	62	88	55	664	-2.1
- New Supply	687	871	52	68	61	79	947	16.9
Paper Grades Chemical Pulp - Production	6,896	7,091	547	572	630	659	7,902	6.0
- Imports	2,915	3,126	262	267	271	269	3,228	9.8
- Exports	4,043	4,164	324	307	415	342	4,109	11.9
- New Supply	5,736	6,053	485	532	496	585	7,022	4.4
Groundwood Pulp and All Other - Production	0	0	0	0	0	0	0	0.0
- Imports RS	106	119	15	1	2	4	45	-51.2
- Exports	0	0	0	0	0	0	0	0.0
- New Supply	106	119	15	1	2	4	43	-53.1

SOURCES: Total Wood Pulp Production & Market Wood Pulp Production, Imports & Exports - Pulp Division, Pulp, Materials and Technology Group, API. Total Wood Pulp Imports & Exports - Department of Commerce.

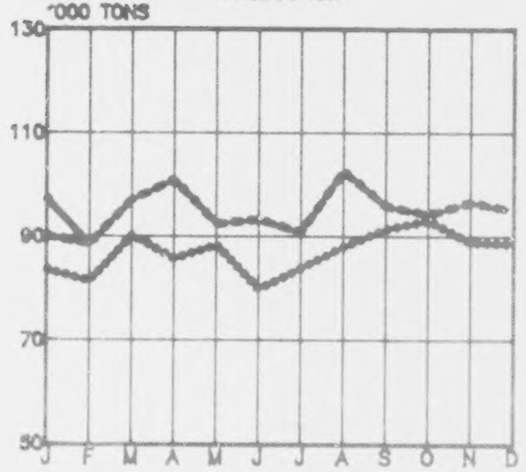
FIBROUS RAW MATERIALS
(Thousands of tons)

	YEAR 1987	 1988	OCTOBER 1988	NOVEMBER 1988	DECEMBER 1988	JANUARY 1989	Annual Rate Y-T-D 1989	% Change from same Period Last Year
CONSUMPTION AT PAPER & PAPERBOARD MILLS					R	P		
Total	77,468	79,720	6,754	6,521	6,639	7,040	84,483	3.5
Total Wood Pulp	59,474	60,793	5,158	4,962	5,115	5,467	65,605	4.2
Waste Paper	17,993	18,927	1,597	1,565	1,524	1,573	18,878	1.2
INVENTORIES								
Chemical Paper Grade Market Pulp								
Producers' Own-Use Inventories	170	165	161	170	173	178	178	8.1
Producers' Market Inventories	224	290	275	301	261	355	355	22.5
Consumers' Purchased Inventories #	529	508	583	591	622	596	596	17.4
Waste Paper at Paper & Bd. Mills	902	847	1,022	1,059	1,073	1,050	1,050	24.0
Days of Supply at Pulp Mills of Chemical Paper Grade Mkt Pulp	12	15	15	17	14	18	18	20.0

SOURCES: Wood Pulp Data, Pulp Division, Pulp, Materials and Technology Group, API. Waste Paper Data, Paper Recycling Committee, API. - # Includes all grades of wood pulp.
P - Preliminary; R - Revised; (0) - Indicates zero to five-hundred short tons RS - 1988 Revised Series

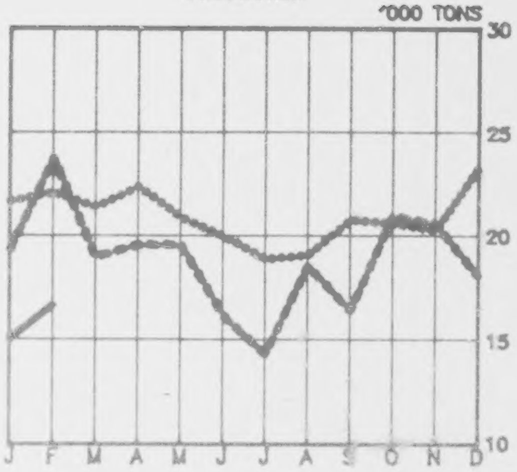
BLEACHED BRISTOLS

PRODUCTION



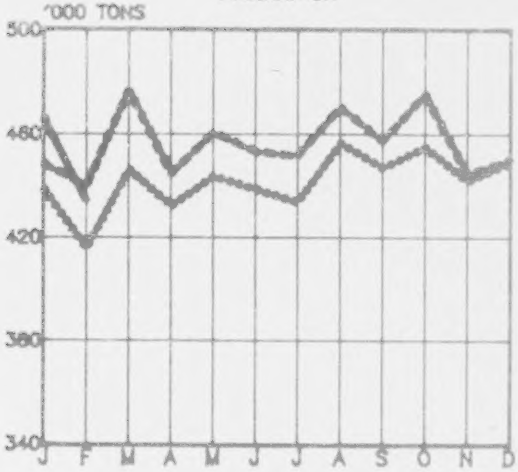
THIN PAPER

PRODUCTION



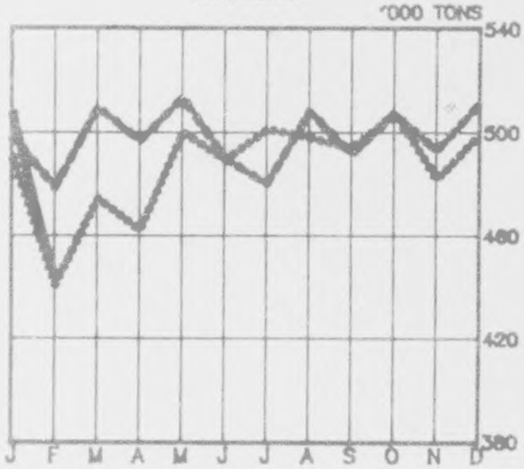
TISSUE PAPER

PRODUCTION



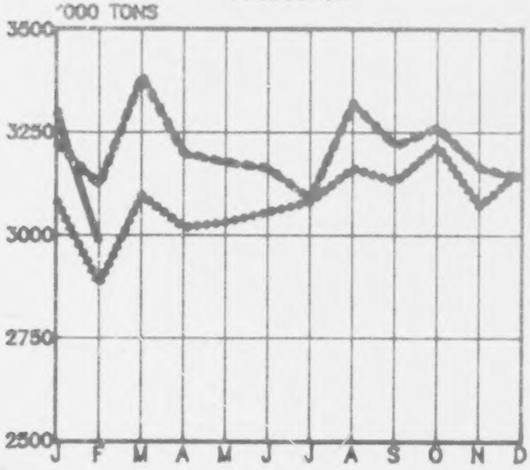
NEWSPRINT

PRODUCTION



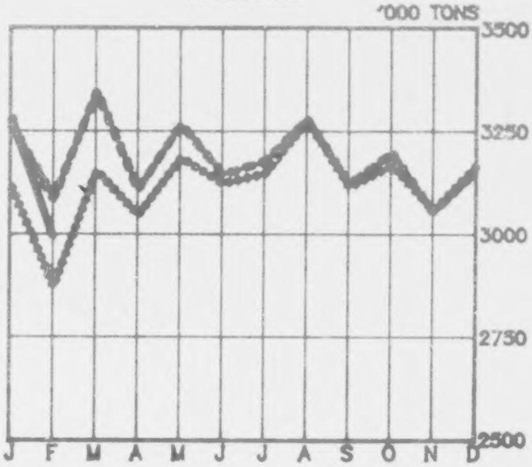
TOTAL PAPER

PRODUCTION



TOTAL PAPERBOARD

PRODUCTION



1987 ········ 1988 ━ ━ ━ ━ 1989 ━━━━━

FIBROUS RAW MATERIALS

(Thousands of Standard (128 cubic foot) Cords)

		YEAR 1987	YEAR 1988	OCTOBER 1988	NOVEMBER 1988	DECEMBER 1988	JANUARY 1989	Annual Rate Y-T-D 1989	% Change From Same Period Last Year
PULPWOOD									
Total U.S.	- Total Receipts	94,112	95,537	8,245	7,889	8,170	8,440	101,280	9.1
	- Total Consumpt	93,946	95,497	7,908	7,887	8,198	8,358	100,296	1.6
	- Residues *	32,899	33,186	2,949	2,970	2,812	2,894	34,728	12.0
	- Inventories	5,096	4,888	4,726	4,790	4,888	4,861	4,861	5.0
So. Atlantic	- Total Receipts	31,147	31,582	2,731	2,697	2,786	2,765	33,180	8.3
	- Total Consumpt	30,915	31,567	2,650	2,610	2,716	2,763	33,156	2.8
	- Residues *	9,553	9,897	983	932	895	860	10,320	6.2
	- Inventories	1,211	1,200	1,134	1,176	1,200	1,194	1,194	16.5
Northeast	- Total Receipts	6,941	7,187	645	570	689	698	8,376	15.0
	- Total Consumpt	7,129	7,216	565	591	600	624	7,488	-3.1
	- Residues *	1,543	1,664	139	155	151	133	1,596	12.7
	- Inventories	594	572	587	586	572	597	597	-0.2
South Central	- Total Receipts	33,650	33,751	2,825	2,824	2,804	2,897	34,764	9.9
	- Total Consumpt	33,059	33,646	2,706	2,760	3,039	2,920	35,040	3.6
	- Residues *	9,992	9,890	836	835	841	879	10,548	18.0
	- Inventories	1,294	1,160	1,147	1,196	1,160	1,133	1,133	6.3
North Central	- Total Receipts	6,552	6,865	563	415	608	690	8,280	2.2
	- Total Consumpt	6,764	6,929	568	573	550	601	7,212	-7.8
	- Residues *	1,263	1,334	100	94	102	114	1,368	-31.7
	- Inventories	830	839	852	760	839	932	932	6.8
West	- Total Receipts	15,822	16,152	1,481	1,383	1,283	1,390	16,680	10.0
	- Total Consumpt	16,079	16,139	1,419	1,353	1,293	1,450	17,400	1.8
	- Residues *	10,548	10,401	891	954	823	908	10,896	21.9
	- Inventories	1,167	1,117	1,006	1,144	1,117	1,005	1,005	-5.8

* - Consumption of Residues in Cord Equivalents. SOURCE: American Pulpwood Association 04-Apr-89

UNITED STATES TRADE WITH CANADA

IMPORTS FROM CANADA

	YEAR 1988 Tons	YEAR 1988 ($000's)	DECEMBER 1988 Tons	DECEMBER 1988 ($000)	JANUARY 1989 Tons	JANUARY 1989 ($000)	Annual Rate Y-T-D 1989 Tons	% Change From same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	19,337	4,195	2,375	171	18,765	450	225,180	1150.2
Pulpwood chips	876,038	35,184	93,423	4,023	80,612	2,508	967,348	7.9
Wood Pulp, Total	4,240,245	2,226,429	254,309	142,073	486,412	277,692	5,836,943	40.6
Waste Fibrous Materials, Total	227,004	48,450	12,271	2,613	20,942	4,581	251,299	7.4
Paper, Board & Products, Total	10,497,185	5,715,612	645,897	356,528	1,154,600	613,800	13,855,198	30.2
Paper, Paperboard, Wet Machine Bd. & Constr. Paper & Bd.	10,348,278	5,458,884	636,000	341,249	1,136,929	604,284	13,643,149	29.8
Paper, Paperboard & Products	10,283,277	5,649,813	637,955	353,884	1,131,983	628,890	13,583,798	30.0
Paper & Paperboard, Only	10,134,369	5,392,286	620,058	338,605	1,114,313	599,374	13,371,750	29.7
Paper, Total	9,869,253	5,295,796	612,074	332,313	1,078,546	584,405	12,942,551	29.0
Newsprint	8,284,709	4,320,023	523,144	276,522	892,745	459,601	10,712,939	26.0
Printing, Writing & Rel. Pap.	1,304,003	807,306	75,034	46,970	149,955	101,101	1,799,460	47.7
Pack. & Ind. Conv. Paper	227,493	120,765	11,102	6,073	25,274	12,900	303,282	13.1
Special Industrial Paper	4,767	9,106	330	692	4,679	5,771	56,148	1841.5
Tissue Paper	48,281	38,596	2,465	2,057	5,894	5,032	70,722	66.1
Paperboard, Total	265,116	96,490	15,984	6,292	35,767	14,969	429,199	55.1
Convtd Paper&Paperbd Products	148,908	257,528	9,897	15,279	17,671	29,516	212,048	57.2
Wet Machine Board	2,919	2,120	143	105	13	8	151	-95.4
Construction Paper & Board	210,970	63,579	7,799	2,539	22,604	4,901	271,248	40.8

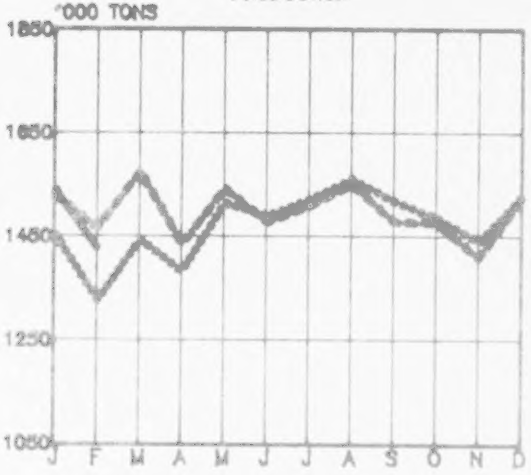
EXPORTS TO CANADA

	YEAR 1988 Tons	YEAR 1988 ($000's)	DECEMBER 1988 Tons	DECEMBER 1988 ($000)	JANUARY 1989 Tons	JANUARY 1989 ($000)	Annual Rate Y-T-D 1989 Tons	% Change From same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	10,805	630	35	2	25	2	300	-92.9
Pulpwood chips	33,040	1,739	403	18	981	45	11,773	26.1
Wood Pulp, Total	280,074	101,214	25,299	10,082	16,117	5,522	193,399	-22.4
Cotton Pulp & Other Pulp	84,891	24,062	13,619	3,693	667	373	8,003	-92.7
Waste Paper	331,999	38,199	10,321	3,384	16,474	2,099	197,687	-7.4
Paper, Board & Products, Total	1,050,117	715,960	72,762	54,193	50,774	40,062	609,288	-36.9
Paper, Paperboard, Wet Machine Bd. & Constr. Paper & Bd.	773,973	464,416	51,363	33,761	34,074	26,668	408,888	-47.4
Paper, Paperboard & Products	1,013,157	699,127	69,076	52,619	49,880	39,527	598,555	-35.9
Paper & Paperboard, Only	737,013	447,583	47,677	32,197	33,180	26,133	398,155	-46.7
Paper, Total	340,156	293,175	24,480	20,835	18,512	18,704	222,149	-37.4
Newsprint	5,006	5,304	322	288	542	370	6,508	128.0
Printing, Writing & Rel. Pap.	166,667	160,007	11,026	11,298	12,106	11,786	145,267	-1.6
Pack. & Ind. Conv. Paper	41,718	29,572	4,667	2,775	2,196	1,297	26,354	-28.2
Special Industrial Paper	119,806	90,276	7,965	5,830	3,304	4,664	39,648	-75.6
Tissue Paper	7,160	8,016	501	654	364	587	4,372	-16.0
Paperboard, Total	396,857	154,408	23,197	11,353	14,667	7,429	176,006	-55.1
Convtd Paper&Paperbd Products	276,145	251,544	21,399	20,432	16,700	13,394	200,400	7.1
Wet Machine Board	5,527	2,590	684	278	5	2	62	-99.2
Construction Paper & Board	30,433	14,243	3,002	1,296	889	533	10,670	-53.2

SOURCE: Bureau of Census, Department of Commerce . E - Estimate of tonnage based on square foot data 04-Apr-89

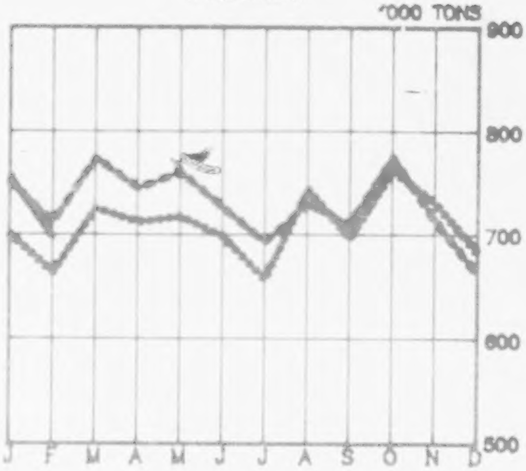
UNBLEACHED KRAFT LINERBOARD

PRODUCTION



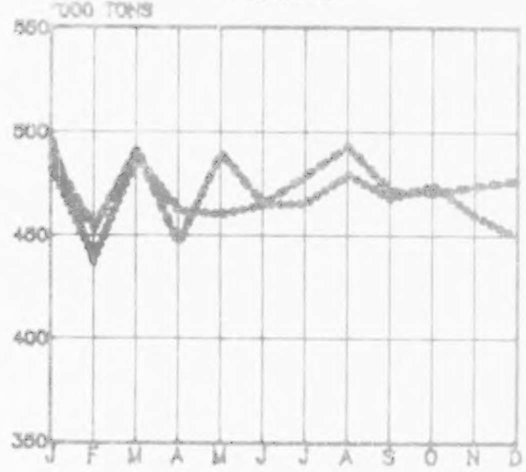
RECYCLED PAPERBOARD

PRODUCTION



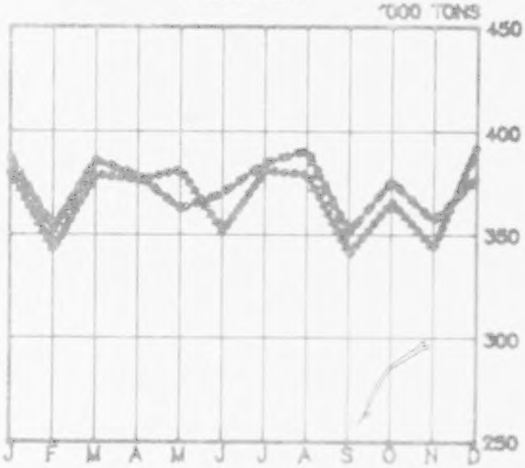
SEMICHEMICAL PAPERBOARD

PRODUCTION



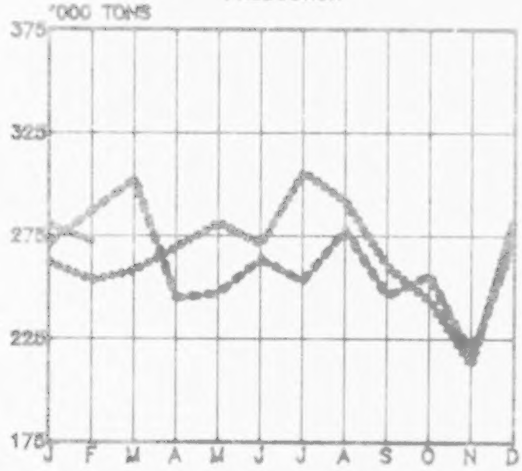
SOLID BLEACHED PAPERBOARD

PRODUCTION



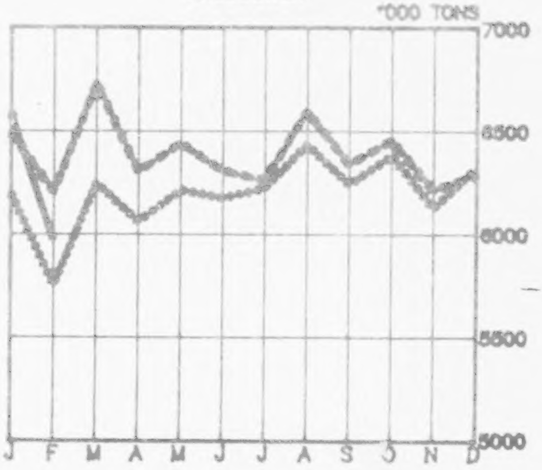
PAPERBOARD FOR EXPORT

PRODUCTION



TOTAL PAPER AND PAPERBOARD

PRODUCTION



1987 ········ 1988 —●—●— 1989 ———

IMPORTS

	YEAR 1988 Tons	YEAR 1988 $000	1988 DECEMBER Tons	1988 DECEMBER $000	1989 JANUARY Tons	1989 JANUARY $000	(1) Annual Rate YTD 1989 Tons	% Change from same Period Last Year
Pulpwood Roundwood (cords)	39,515	4,200	2,115	171	18,765	450	225,180	1150.2
Pulpwood Chips	888,835	55,553	94,469	4,851	81,798	2,544	981,580	8.8
Total All Imports	18,967,659	10,542,444	1,141,573	785,872	1,879,721	1,108,409	22,556,648	28.1
Wood Pulp Total	4,938,158	2,607,524	514,192	176,527	532,376	305,544	6,388,507	36.5
Waste Paper	161,167	27,161	10,048	1,324	23,495	5,948	281,934	61.0
Other Fibrous Materials	92,585	12,111	5,394	1,914	1,039	992	12,462	-84.1
Paper Board & Products Total	12,875,629	7,875,227	811,939	527,706	1,322,812	795,925	15,873,745	25.2
Paper Paperboard Wet Machine Bd. & Construction Paper & Board	12,445,374	6,862,186	777,437	447,980	1,276,433	719,648	15,317,190	24.4
Paper Ppbd & Prds ex Cnst&WMB	12,557,184	7,766,817	794,163	520,729	1,297,101	789,915	15,565,207	25.5
Paper & Paperboard Only	12,122,930	6,753,776	759,859	441,003	1,250,721	713,638	15,008,652	24.6
Paper Total	11,781,919	6,623,062	737,693	432,017	1,211,670	695,180	14,540,039	24.0
Newsprint	8,591,593	4,461,983	519,297	284,135	909,968	467,429	10,919,611	25.2
Printing & Writing	2,787,659	1,880,795	171,710	127,719	248,807	181,942	2,985,688	16.0
Uncoated Groundwood	1,362,642	792,981	75,279	45,079	97,167	58,994	1,166,008	-15.1
Coated Print.& Impreg. Pap.	788,865	634,186	53,209	46,076	67,757	53,890	813,079	27.3
Uncoated Free Sheet	576,130	402,456	41,897	31,855	68,056	51,468	816,671	56.2
Uncoated Book	246,446	166,096	11,745	9,304	N.L.R.	N.L.R.	N.L.R.	N.L.R.
Writing and Similar Paper	329,681	235,560	30,152	22,551	68,056	51,468	816,671	184.8
Thin (except Cigarette)	55,774	49,004	4,259	3,803	9,605	10,430	115,261	210.7
Bristols	4,247	2,269	86	186	6,222	6,160	74,669	5367.8
Total Pkg & Other Paper	353,196	231,796	22,145	17,416	42,596	37,095	511,148	38.8
Unbleached Kraft Paper	161,708	76,116	8,262	4,100	26,877	12,551	322,524	77.0
Other Pkg. & Indust. Paper	191,488	155,680	13,883	13,316	15,719	24,542	188,624	1.3
Tissue	57,565	48,488	2,520	2,147	10,299	8,925	123,592	106.5
Paperboard, Total	341,011	130,714	22,166	8,986	39,051	18,259	468,613	45.7
Test or Containerboard	85,542	36,165	7,016	2,653	7,893	3,262	94,714	4.8
Semi-Chemical Corrugating	142,470	41,196	6,861	2,164	9,630	3,112	115,560	-23.0
Other Paperboard	112,939	50,972	8,295	4,159	21,528	11,884	258,340	218.3
Convtd Paper&Paperbd Products	430,255	1,013,041	34,502	79,726	46,380	76,277	556,555	55.6
Paper Products, Total	393,089	944,174	31,476	74,341	37,329	62,074	447,952	38.5
Paperboard Products, Total	37,166	68,867	3,026	5,385	9,050	14,204	108,604	216.8
Wet machine Board	4,239	1,700	309	124	24	24	288	-91.9
Construction Paper & Board	310,208	104,670	17,269	6,653	25,688	5,985	308,250	15.2
Notes								
Other: No Weight Avail. ($000)		177,686		12,504		6,183	74,198	-55.5
Total Imports Incl. Other($000)		10,720,130		798,376		1,114,592	13,375,103	38.6

EXPORTS

							(1)	
Pulpwood, Roundwood (cords)	12,036	685	35	2	12,909	185	154,908	3577.8
Pulpwood Chips	1,503,100	286,191	415,196	33,798	309,771	21,399	3,717,247	144.7
Total All Exports	17,062,208	7,467,363	1,617,650	706,369	1,354,444	598,561	16,253,324	10.3
Wood Pulp, Total	5,528,292	2,914,521	572,547	303,642	457,275	241,154	5,487,298	17.0
Cotton Pulp and Other Pulp	201,567	111,923	20,941	10,155	8,141	5,770	97,686	-56.8
Waste and Old Paper	5,640,118	688,259	524,072	57,212	447,061	53,485	5,364,731	7.2
Paper, Board & Products, Total	5,692,231	3,752,661	500,090	335,360	441,968	298,152	5,303,610	10.1
Paper, Paperboard, Wet Machine Bd. & Construction Paper & Board	4,877,563	2,701,405	430,708	245,954	373,280	211,899	4,479,356	8.1
Paper, Ppbd & Prod ex Cnst&WMB	5,560,356	3,683,601	490,470	330,482	438,545	296,589	5,262,542	11.5
Paper & Paperboard, Only	4,745,688	2,632,346	421,088	241,075	369,857	210,336	4,438,289	9.7
Paper, Total	1,103,490	988,031	103,933	92,185	96,577	84,903	1,158,918	26.3
Newsprint	428,296	295,474	44,106	30,326	48,505	33,305	582,054	109.1
Printing & Writing	287,208	313,047	27,565	29,465	24,787	25,561	297,442	22.8
Uncoated Groundwood	70,286	58,639	9,858	7,609	5,275	3,994	63,302	41.5
Clay Coated Paper	97,464	79,731	6,806	5,968	7,450	6,467	89,398	-7.4
Uncoated Free Sheet	82,660	124,049	6,648	9,826	4,280	5.584	51,154	-26.8
Other Printing & Writing	36,799	50,629	4,253	6,062	7,782	9,516	93,388	202.9
Total Pkg. & Other Paper	346,718	342,117	30,647	30,349	21,685	23,683	260,222	-27.5
Unbleached Kraft	110,075	54,975	11,035	6,210	9,522	4,113	114,266	36.7
Other Pkg. & Indust. Paper	236,643	287,142	19,612	24,139	12,163	19,570	145,956	-47.0
Tissue	41,268	37,393	1,556	2,146	1,600	2,354	19,200	-49.8
Paperboard, Total	3,642,199	1,644,314	317,155	148,890	273,281	125,433	3,279,371	4.9
Solid Wood Pulp	3,359,078	1,511,057	290,677	136,375	261,112	118,331	3,133,344	10.7
Total Linerboard	2,281,362	885,846	206,094	80,657	182,293	68,924	2,187,520	10.0
Bleached Kraft Linerboard	140,801	71,728	21,090	9,780	22,492	9,566	269,900	75.0
Unbleached Kraft Linerbd	2,140,562	814,119	185,004	70,877	159,802	59,358	1,917,619	4.5
Other Unbleached Kraft	292,437	102,638	12,843	6,219	18,377	9,746	220,526	41.2
Other Bleached Kraft	742,918	502,513	67,876	47,491	57,100	38,168	685,205	11.5
Semi-Chemical Corrugating	42,160	18,060	3,864	2,000	3,341	1,493	40,093	-44.3
Recycled Paperboard	283,121	133,257	26,479	12,515	12,169	7,102	146,027	-50.8
Convtd Paper&Paperbd Products	814,668	1,051,256	69,382	89,406	68,688	86,253	824,254	22.2
Paper Products, Total	367,548	682,281	31,977	56,878	29,210	55,926	350,514	24.6
Paperboard Products, Total	447,121	368,975	37,405	32,528	39,478	30,327	473,740	20.4
Wet Machine Board	11,691	4,915	918	368	124	75	1,492	-87.0
Construction Paper & Board E	120,184	64,145	8,702	4,510	3,298	1,487	39,576	-54.6
Notes								
Other: No Weight Avail. ($000)		9,170		765		596	7,155	14.5
Total Exports Incl. Other($000)		7,476,533		707,134		599,157	7,189,883	17.6

SOURCE: Bureau of Census, U.S. Department of Commerce. E - Incl. estim. of tonnage based on square foot data.
(1) Annual Rate Year-To-Date is in tons unless otherwise specified in item description. N.L.R. - No longer reported.

PRODUCER PRICE INDEXES

1982 = 100

	1987	1988	NOVEMBER 1988	DECEMBER 1988	JANUARY 1989	FEBRUARY 1989	Annual Rate Y-T-D 1989	% Change from same Period Last Year
Pulp, Paper and Products except Building Grades	114.3	124.9	128.2	128.5	129.3	131.1	130.2	8.8
Pulp Paper & Products, ex. Build and Grades & ex Waste Paper *	113.2	123.8	127.5	128.0	128.9	130.7	129.8	9.6
Total Wood Pulp	111.5	136.7	145.2	145.2	149.1	151.5	150.3	20.4
Total Paper	111.9	123.2	127.5	127.7	128.7	130.2	129.5	9.3
Total Paper excl. Newsprint	110.6	123.3	128.6	129.7	129.5	130.7	130.1	10.2
Newsprint	112.3	127.8	127.1	126.2	126.1	128.8	127.5	0.0
Total Paperboard	118.1	133.2	136.5	136.5	137.8	138.7	138.3	9.0
Total Paper and Paperboard *	113.6	126.3	130.1	130.5	131.6	132.9	132.2	9.2
Converted Products	114.7	123.0	126.3	127.1	127.6	129.8	128.7	8.4
Waste Paper	181.4	183.6	168.8	158.3	155.3	156.8	156.1	-19.3
All Commodities	102.8	106.9	108.3	109.0	110.3	110.8	110.6	5.6
Industrial Commodities	102.6	106.3	107.4	108.1	109.4	110.0	109.7	5.0

SOURCE: Producer Price Indexes: Bureau of Labor Statistics, U.S. Department of Labor * Computed by API

Table 3. Annual percent changes in manufacturing hourly compensation and unit labor costs, 12 countries, 1960–87

Year	United States	Canada	Japan	France	Germany	Italy	United Kingdom	Belgium	Denmark	Nether-lands	Norway	Sweden
Hourly compensation												
1960–87	8.2	7.9	11.3	11.5	8.7	15.2	11.6	10.3	11.3	10.1	11.0	11.0
1960–73	5.0	6.2	15.1	10.0	10.3	13.5	9.2	11.0	12.2	12.9	10.0	10.5
1973–87	7.4	9.5	8.0	13.0	7.2	16.1	13.9	9.7	10.5	7.5	11.9	11.4
1973–79	9.5	12.0	12.8	16.3	9.5	20.6	19.4	14.0	14.0	11.6	13.4	14.2
1979–87	5.8	7.7	4.5	10.5	5.5	13.9	10.0	6.5	7.9	4.5	10.8	9.3
1979–85	6.8	8.6	4.9	12.9	6.0	17.2	10.9	7.7	8.1	5.1	9.9	10.0
1986	3.7	4.6	4.9	4.4	4.3	3.3	7.4	3.9	3.3	3.0	9.7	7.7
1987	2.1	5.2	1.4	3.1	4.0	5.9	7.1	1.9	11.6	2.7	17.2	7.0
Unit labor costs												
1960–87	3.3	4.5	3.4	6.2	4.1	9.0	7.7	3.8	6.7	4.1	7.3	6.1
1960–73	1.8	1.6	4.3	3.4	4.3	5.6	4.8	3.8	5.5	5.2	5.4	3.9
1973–87	4.8	7.3	2.6	8.9	3.9	12.2	10.4	3.8	8.0	3.1	9.1	8.2
1973–79	8.0	9.6	6.9	11.2	4.9	16.7	16.0	7.5	9.4	5.8	11.0	11.2
1979–87	2.4	5.4	–.6	7.3	3.1	8.9	5.1	1.1	6.9	1.2	7.6	6.0
1979–85	3.4	6.1	–.8	9.6	3.0	11.1	6.0	1.6	6.3	.6	6.9	6.3
1986	.5	4.3	3.2	1.3	4.3	2.5	4.5	0	7.1	3.6	10.5	7.7
1987	–1.2	2.7	–2.5	–.1	2.5	2.8	.2	–1.1	10.2	2.2	9.3	2.6
Unit labor costs in U.S. dollars												
1960–87	3.3	3.3	6.9	5.4	7.4	6.0	5.6	4.9	6.8	6.5	7.5	5.3
1960–73	1.8	1.3	6.6	4.2	8.0	6.1	3.7	5.8	6.6	7.7	7.2	5.3
1973–87	4.8	5.1	7.3	6.6	6.8	6.0	7.3	4.1	7.0	5.5	7.8	5.3
1973–79	8.0	6.9	10.6	12.0	11.6	10.0	15.2	12.7	11.9	11.7	13.3	11.5
1979–87	2.4	3.8	4.7	2.7	3.4	3.0	1.7	–1.9	3.4	1.1	3.9	.9
1979–85	3.4	3.4	–2.3	–3.2	–4.8	–3.3	–2.4	–9.6	–5.4	–7.5	–2.1	–5.4
1986	.5	2.5	46.1	31.4	41.3	31.2	18.3	32.8	40.2	40.4	28.4	30.0
1987	–1.2	7.7	13.5	15.1	23.8	18.0	12.0	18.3	30.3	23.5	20.0	15.3

NOTE: Rates of change based on the compound rate method. Source: BLS

However, as with any new system, there are some changes in corresponding classifications, so the specific products included in the various headings may not be completely consistent with those of the old system. We will, however, continue to show the percent changes from the year-ago period, but the percentages shown may reflect changes in the specific products included in the grouping along with changes in the year-to-year volumes. As the codes move toward greater aggregation, for example to total paper, total paperboard and, finally, total paper and paperboard, inconsistencies will wash out, and the comparability will improve commensurately.

The new system breaks out many of the grades in terms of basis weights, without specifically denoting a grade as paper or paperboard. However, we will continue to make such a distinction in our reporting system, taking into account both basis weight and product use. Thus, corrugating medium will continue to be reported as paperboard, while the heavier papers used as bleached bristols will continue to be included in the paper grades.

FIBROUS MATERIALS

Production of market wood pulp in the first two months of 1989 held close to its year-ago record-high level at a rate that was also close to the average for all of 1988. The February shipments of chemical paper grade market pulp just about matched production, and inventories remained at the 18 days of supply reported for January. A similar pattern was evident in the inventory trend for the total of the North American and Nordic producers: total shipments held close to their production level in February, and inventories remained at January's 17 days of supply. In both cases, the inventory supply was in line with their 1988 trend.

In the first two months of 1989 exports of chemical paper grade market wood pulp accounted for 60% of total shipments of chemical paper grade market wood pulp, compared to 58% in the corresponding year-ago period. Total exports of these grades were down 1%. However, exports to Japan and Western Europe increased, with Japan taking 41% of the export total compared to 21% in the year-ago period, while Western Europe took 41% compared to 39% in the first two months of 1988.

INTERNATIONAL PRODUCTIVITY AND LABOR COST COMPARISONS

Labor productivity of U.S. manufacturing industries trended up at an average annual rate of 3.3% a year between 1979 and 1987, according to the U.S. Bureau of Labor Statistics (BLS). That performance was about average for the twelve major industrial nations for which the BLS has compiled data.

While productivity growth for the group as a whole slowed during 1986 and 1987, output per man-hour at U.S. manufacturing plants advanced at the fairly stable rates of 3.3% in 1986 and 3.4% in 1987. The U.S. gain ranked third among the 12 nations on the BLS list during 1986-87.

Although the productivity data cited here pertain to all manufacturing industries and not just paper, they are probably indicative of trends in the respective national paper industries.

Japan, which is an important customer of the U.S. paper industry, increased its manufacturing output per man-hour by an average of 5.1% a year in the 1979-87 period. Over that same time span, manufacturing productivity in Canada, Norway and Sweden -- countries that compete with the U.S. paper industry in world markets -- trended up at average rates of 2.1%, 2.9% and 3.1% respectively.

Unit labor costs, which take account of both productivity and compensation changes, are another important indicator of a nation's international competitiveness. The table on page 10 shows percent changes in hourly compensation, unit labor costs in local currencies, and unit labor costs translated into U.S. dollars.

Unit labor costs for U.S. manufacturing industries declined 1.2% in 1987. The decline resulted from a 2.1% increase in hourly compensation being offset by a 3.4% gain in productivity.

U.S. unit labor costs climbed 3.4% a year in the 1979-85 period, and then inched up 0.5% in 1986 before declining in 1987. U.S. manufacturing productivity advanced about 3.2% in 1988, but compensation also accelerated and unit labor costs probably showed little change.

Canadian unit labor costs rose 2.7% in local currency in 1987. The increase was a more substantial 7.7% when measured in U.S. dollars, reflecting the appreciation of the Canadian versus the U.S. dollar in 1987. Canadian currency showed a further appreciation relative to the U.S. dollar in 1988.

Unit labor costs for Japanese manufacturing industries declined 2.5% on a yen basis in 1987. The continued appreciation of the yen relative to the dollar during 1987 resulted in a 13.5% increase in Japan's manufacturing unit labor costs measured on a U.S. dollar basis. However, the United States merchandise trade balance with Japan showed little change from 1986 to 1987.

A2500-2

INDUSTRY FACT SHEET

AMERICAN PAPER INSTITUTE, INC.
260 Madison Avenue
New York, New York 10016

March 29, 1989

PRODUCTION (000 TONS)

*	(P) FEBRUARY 1989	* JANUARY 1989	* FEBRUARY 1988	* FIRST TWO MONTHS 1989	* 1988	% CHANGE YR TO DATE 1988/1987
PAPER GRADES						
Newsprint	445	507	479	952	978	-2.6
Printing & Writing	1,699	1,871	1,767	3,570	3,599	-0.8
Uncoated Groundwood (s)	131	148	129	279	257	8.6
Coated Paper (s)	551	633	593	1,183	1,230	-3.8
Uncoated Free Sheet Paper (s)	899	965	919	1,864	1,863	0.1
Thin Paper (s)	17	15	24	32	43	-26.6
Cotton Fiber Paper (s)	13	13	14	26	27	-3.6
Bleached Bristols (s)	89	97	89	186	179	4.0
Tissue Paper	435	466	440	900	889	1.3
Total Pkg & Other Paper	408	455	436	862	880	-1.9
Unbl. Kraft Paper (s)	233	269	257	503	522	-3.7
Other Paper	174	185	180	360	358	0.6
TOTAL PAPER	2,986	3,299	3,123	6,285	6,345	-0.9
PAPERBOARD GRADES						
Unbleached Kraft Paperboard	1,522	1,653	1,566	3,175	3,203	-0.9
Unbleached Kraft Linerboard	1,430	1,540	1,468	2,970	2,998	-0.9
Other Unbl. Kraft Paperboard	92	113	98	205	206	-0.4
Semichemical Paperboard	437	495	454	932	943	-1.1
Bleached Paperboard	338	377	353	716	740	-3.4
Recycled Paperboard	699	756	713	1,455	1,465	-0.7
TOTAL PAPERBOARD	2,996	3,281	3,087	6,278	6,352	-1.2
TOTAL PAPER AND PAPERBOARD	5,983	6,580	6,210	12,563	12,697	-1.1

WOOD PULP (ALL GRADES)	JANUARY 1989	DECEMBER 1988	JANUARY 1988	FIRST MONTH 1989	 1988	% Change 88/87
Dissolving & Special Alpha	127	127	105	127	105	20.8
Bleached Sulfite)	139	143	134	139	134	3.7
Unbleached Sulfite)						
Bleached & Semi-Bl. Sulfate	2,389	2,323	2,267	2,389	2,267	5.4
Unbleached Sulfate	1,900	1,838	1,898	1,900	1,898	0.1
Semichemical	397	368	382	397	382	3.9
Groundwood & Thermomechanical	520	484	516	520	516	0.8
TOTAL PULP DIVISION DATA	5,471	5,282	5,302	5,471	5,302	3.2

(s) - Shipments
P - Preliminary

MARCH 31, 1989

	Full Year		INDUSTRY DATA 1988 - 1989	R	P	Ann. Rate Year - To - Date	% From Same Pd. Last Year
PAPER AND PAPERBOARD -- Tons (000)	1987	1988	December	January	February	1989	
Total Production (API).......: excluding :...	74,435	76,705	6,297	6,580	5,983	75,379	-1.0
Total Seasonally Adjusted....:construction:...			6,307	6,447	6,400	77,077	0.4
Imports (including Products).: and wet :..E	12,454	12,553	794	1,297	1,174	14,827	20.8
Exports (including Products).: machine :..E	5,197	5,560	490	439	458	5,379	5.7
Apparent Consumption.........: grades :...	81,692 a	83,698 b	6,611	7,305	7,116	84,826 c	1.0
Paper Production % Tonnage Capacity...........	94.1 g	95.5	90.7	95.5	95.0	95.3	-
Paperboard Production % Tonnage Capacity......	96.8 g	96.7	91.8	95.2	95.6	95.4	-
			November	December	January		
IMPORTS.....:Including Construction and :...	12,837	12,876	1,081	812	1,323	15,874	25.2
EXPORTS.....: WMB Grades (excl. HPB) :	5,304	5,797	450	500	442	5,304	-11.7
MARKET WOOD PULP PRODUCTION - Tons (000)........	8,114	8,456	684	764	785	9,424	8.1
TOTAL WOOD PULP PRODUCTION - Tons (000)..........	59,552	61,210	4,974	5,283	5,471	65,653	3.2
WOOD PULP IMPORTS - TONS (000)..................	4,[illegible]50	4,938	425	314	532	6,389	36.5
WOOD PULP EXPORTS - TONS (000)..................	4,8[illegible]9	5,528	420	573	457	5,487	17.0
RAW MATERIALS CONSUMPTION - Tons (000)							
..PAPER AND BOARD MILLS : excluding :		—	November	December	January		
Wood Pulp.............:consumption for:.....	59,475	60,893	4,962	5,115	5,467	65,605	4.2
Waste Paper...........:construction & :.....	17,993	18,828	1,565	1,525	1,573	18,878	1.2
TOTAL.........: WMB grades :.....	77,468	79,720	6,527	6,639	7,040	84,484	3.5
PULPWOOD CONSUMPTION Cords(000)Amer.Pulpwd. Assn	93,946	95,497	7,887	8,198	8,358	100,296	1.6
EMPLOYMENT (000)			December	January	February		
Paper and Allied Products..........Total......	679.0	689.3	693.4	687.9	687.2	687.6	0.8
Pulp, Paper and Board Mills.........Total.....E	244.9	245.5	244.8	243.4	243.2	243.3	-0.3
AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS ($)			December	January	February		
Paper and Allied Products......................	11.42	11.64	11.79	11.77	11.80	11.79	2.3
Pulp, Paper Mills.........................E	14.00	14.29	14.48	14.44	14.45	14.45	2.9
Paperboard Mills..........................E	14.30	14.49	14.70	14.46	14.50	14.48	1.2
CAPITAL EXPENDITURES, PAPER & ALLIED PRODUCTS			1988 Q2	1988 Q3	1988 Q4		
(Rept. by US Dept. of Com., Ann. Rates, Bill.$)*	9.01	11.17	11.09	11.37	12.29	14.33 Y	28.3
INDEX OF OUTPUT PER MAN-HOUR (1977=100)..........			December	January	February		
:IN PULP, PAPER :...Production Workers..........	145.0	149.5	146.3	154.0	150.2	152.1	1.2
:AND BOARD MILLS:...All Employees...............	141.8	146.3	143.8	150.6	146.7	148.7	1.1
PAPER AND ALLIED PRODUCTS (Million $) -			November	December	January		
Industry Shipments (Dept. of Commerce)*........	118,855	127,718	10,779	10,956	10,938	131,256	1.5
Pulp, Paper and Paperboard*..................	51,518	57,177	4,794	4,860	4,912	58,944	-0.8
Inventories (End of Period) - Total Industry*..	11,284	12,065	11,939	12,065	12,093	12,093	6.2
Pulp, Paper and Paperboard*..................	4,266	4,325	4,253	4,325	4,478	4,478	5.5
			1988 Q2	1988 Q3	1988 Q4		
Sales (Corporations Only)......................	95,576	107,014 RS	27,227	27,344	26,939	107,014	12.0
Earnings (Corporations Only)...................	5,520	8,077 RS	2,195	2,227	1,911	8,077	46.3
Depreciation (Corporations Only)...............	4,279	4,620 RS	1,124	1,162	1,165	4,620	8.0
Net Worth (Corporations Only)..................	39,217	42,933 RS	41,621	43,015	42,933	42,933	9.5
PRICE INDEXES (Bureau of Labor Stats)1982=100			December	January	February		
Pulp, Paper & Products, ex. Building Grades....	114.3	124.7	128.5	129.3	131.1	130.2	8.8
Wood Pulp......................................	111.6	136.7	145.2	149.1	151.5	150.3	20.4
Waste Paper....................................	181.4	183.5	158.9	155.3	156.8	156.1	-19.3
Paper..	111.5	123.2	127.7	128.7	130.2	129.5	9.3
Paperboard.....................................	118.1	133.2	136.5	137.8	138.7	138.3	9.0
PAPER DEMAND (INDEXED: 1977=100)			December	January	February		
Total Paper Production *......................	133.8	138.9	137.4	140.0	136.2	138.1	0.4
Paper New Supply *............................	140.6	144.1	133.8	153.2	145.9	149.6	4.8
Demand Indicators - (Weighted Average) *.....	154.5	163.7	167.5	169.6	170.2	169.9	6.5
Production of Nondurable Goods *...(21.2%).	136.8	143.9	147.3	148.3	148.2	148.3	5.0
Disposable Income ....*.(23.9%)	130.0	134.9	137.2	138.6	139.8	139.2	4.5
Total Printing and Publishing *...(54.9%).	172.0	183.8	188.4	191.4	191.9	191.7	7.6
Trend Factor	----------	----------	----------	Not Available	----------	----------	----------
PAPERBOARD DEMAND (INDEXED: 1977=100)							
Total Paperboard Production *.................	129.1	132.0	129.9	133.2	134.9	134.0	0.3
Production for Domestic Use	126.5	129.3	126.6	129.8	131.9	130.8	0.4
Demand Indicators - (Weighted Average) *.....	125.9	132.5	136.3	136.8	136.8	136.8	5.4
Production of Consumer Goods *...(62.06%)	127.7	133.9	138.2	138.8	139.0	138.9	5.8
Production of Equipment *...(5.75%)	148.8	158.2	160.3	161.5	162.3	161.9	4.6
Production of Materials *...(32.19%)	118.3	125.3	128.5	128.5	128.0	128.3	4.7
Trend Factor	----------	----------	----------	Not Available	----------	----------	----------
NEWSPRINT MARKETS			November	December	January		
Consumption by Publishers - Tons (000).........	13,583	13,597	1,206	1,143	1,063	12,751	0.6
Newspaper Pub. and Printing Empl. Total(000)...	471	478	482	482	480	480	0.8
PRINTING AND FINE PAPER MARKETS							
MAGAZINE ADVERTISING PAGES (PIB, Inc.)...........	164,771	166,830	17,024	14,831	10,857	130,284	7.4
WHOLESALERS SALES AND INVENTORIES (Million $)							
Total Paper & Pap. Prdcts.,ex Wallpaper..Sales	44,741	52,377	4,551	4,443	4,483	53,796	13.6
Inventories (End of Period).	3,350	4,436	4,290	4,436	4,729	4,729	17.8
FIBRE BOX DATA (Fibre Box Association)			December	January	February		
Fibre Box Shipments (Million square feet).......	297,827	307,457	23,467	26,442	24,086	303,168	1.9
Container'bd Inventory at Mill & Plant(000Tons).	2,486	2,552	2,552	2,726	2,654	2,654	2.7
RETAIL TRADE (Billion $)			December	January	February		
Total Retail Sales *..........................	1,509	1,607	139	140	140	1,678	8.0
Nondurable Goods Stores Sales *...............	951	998	85	86	86	1,035	7.4
GENERAL ECONOMIC DATA			December	January	February		
TOTAL INDUSTRIAL PRODUCTION (INDEX 1977 = 100)*..	129.8	137.2	140.5	141.1	141.1	141.1	5.0
PRODUCER PRICES(ALL COMMODITIES)(INDEX 1982=100).	102.8	106.9	109.0	110.3	110.8	110.6	5.6
CONSUMER PRICES (ALL ITEMS) (INDEX 1982-4=100)...	113.6	118.3	120.5	121.1	121.6	121.4	4.7
			November	December	January		
TOTAL CONSUMER CREDIT OUTSTANDING - (Billion $)..	623.6	678.1	665.7	678.1	673.6	673.6	8.4
GROSS NATIONAL PRODUCT - ANNUAL RATE (Billion$)..			1988 Q2	1988 Q3	1988 Q4		
G.N.P. or Expenditure - Current $..............	4,527	4,862	4,824	4,909	4,990	4,862	7.4
G.N.P. or Expenditure - 1982 $.................	3,847	3,995	3,985	4,009	4,029	3,995	3.8

lb/capita						
Pap&Papbd		Othr		Totl	Popul(mil)
.a - 670	+	17	=	687	243.9
.b - 682	+	17	=	699	245.5
.c - 691	+	17	=	708	245.5

.E - Last month estimated by API

E - Wood Pulp Production excludes def., explo. & scrngs.
g - Adjusted for holiday shutdowns
h - First 3 quarters, annual rate
Q - Quarter

R - Revised
Y - Full year estim. by U.S. Dept. of Com.
RS - Revised Series
* - Seasonally Adjusted.

A2500-2
5/18/89

Paper Paperboard & Wood Pulp

MONTHLY STATISTICAL SUMMARY - Vol. 67 No. 4

APRIL 1989

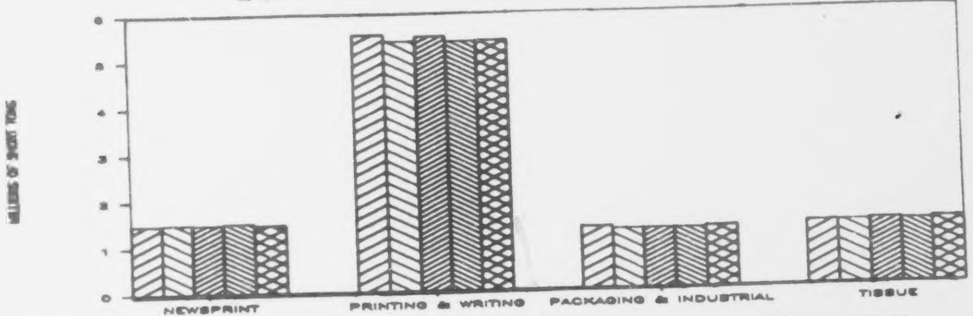
PAPER AND PAPERBOARD PRODUCTION HOLDS AT FLAT TREND

The trend of paper and paperboard production continues to fluctuate about a flat trend close to its record-high 1988 rate. Adjusted for seasonal and workday factors, the first quarter 1989 rate was 77.0 million tons per year, 1.2% below the 1988's first quarter level, but slightly ahead of the 76.6 million tons produced in 1988. (See table on page 3.)

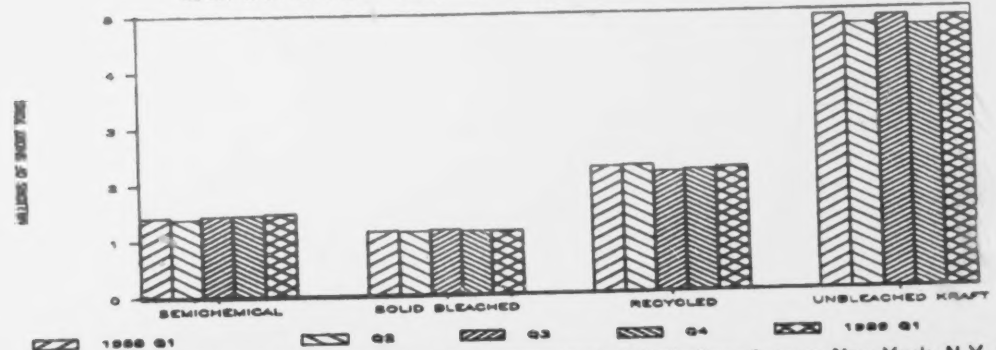
The trend in total paper and paperboard production is roughly consistent with that of total industrial production. In each of the first three months of 1989 industrial production held flat. The nondurable consumer goods component, which includes many important markets for paper and paperboard products, remained unchanged in each month of this period while production of durable consumer goods eased downward between January and March.

The charts below show quarterly totals for the major grade groupings of paper and paperboard for the five quarters starting with the first quarter of 1988. These charts highlight the similarity of the trends of each of these groups, pointing to the relatively steady production totals evident so far in 1989.

QUARTERLY PAPER PRODUCTION



QUARTERLY PAPERBOARD PRODUCTION



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Because of the leap year day in 1988, comparison of the unadjusted first quarter paper and paperboard 1989 totals with those of the first quarter 1988 overstate the decline in the rates of production by about 1%. In addition, the March 1988 production total -- shown on the Industry Fact Sheet that accompanies this report -- was the highest monthly total on record, bringing the first quarter 1988 total well above the trend evident for 1988 as a whole.

Paper: For the most part, the rates of production of the various paper grades held close to their respective 1988 levels in the first quarter of 1989. The strongest showing was made by uncoated groundwood papers, whose shipments total gained 6.2% over their comparable 1988 total, possibly reflecting the reported decline in imports of these papers. Shipments of uncoated free sheet papers were close to their year-ago level. Coated papers were one of the few grades where there was some indication of inventory accumulation at user levels during 1988. First quarter 1989 shipments of these papers were 5.7% below their year-ago rate and about 3.5% below the total 1988 level, suggesting some reduction in user inventories.

Paperboard: Production of the major paperboard grades, as shown on page 3, followed trends similar to those of paper. Total production was 0.9% below its year-ago level in the first quarter of this year. The 1988 data were revised to reflect the annual review of the reported data. When adjusted for seasonal and workday factors, the rates were equal. Production of containerboard for domestic use declined 0.2% which, after adjustment for the extra day in the first quarter of last year, translates into a small increase. This pattern is consistent with the 0.5% increase in fibre box shipments. Inventories of containerboard at mills and plants, which had increased in January, gave up most of this gain in February and March, retreating almost all the way back to their January 1, 1989 level.

Production of boxboard for domestic use is showing a trend similar to that of containerboard. The first quarter 1988 decline was 2.9%, reflecting a 2% decline in production of bleached and unbleached kraft folding boxboard, a 1% decline in production of recycled boxboard and a decline in milk carton stock fairly well offset by gains in production of cup stock.

IMPORTS AND EXPORTS

We have been able to trace one reason for the unusually high level of the January 1989 paper and paperboard imports reported by Census. Some of the imports from Canada in late December were coded to the new Harmonized Code system. Census was unable to recode these forms to the old system, and included them with the January 1989 data. The major impact was on newsprint, which is by far the largest import grade. We estimate that about 210,000 short

Continued on Page 11

PAPER AND PAPERBOARD STATISTICS

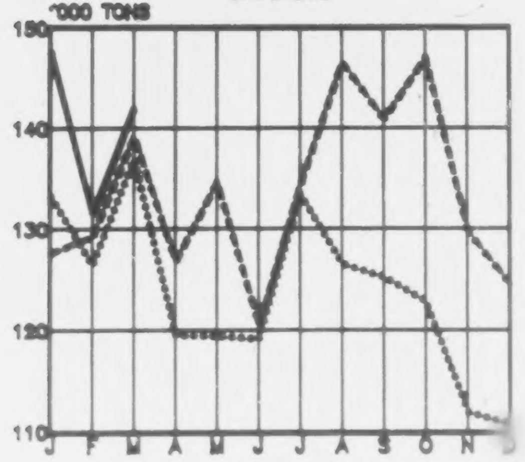
PRODUCTION, SHIPMENTS AND ORDERS
(Thousands of Short Tons)

	YEAR 1987	YEAR 1988	DECEMBER 1988	JANUARY 1988 (R)	FEBRUARY 1989 (P)	MARCH 1989 (P)	Annual Rate Y-T-D 1989	% Change From same Period Last Year
PAPER								
Newsprint - Production	5,842	5,982	512	507	445	516	5,874	-1.3
- Shipments	5,854	5,969	523	482	454	509	5,776	-1.5
Printing & Writing Sum	20,780	21,819	1,756	1,871	1,699	1,830	21,601	-2.6
Groundwood Paper - Shipments	1,485	1,601	125	148	131	142	1,682	6.2
- New Orders	1,529	1,630	177	140	126	157	1,689	8.5
-Unfilled Orders	164	207	207	182	178	197	197	14.9
Coated Papers - Shipments	6,860	7,361	573	633	551	592	7,101	-5.7
- New Orders	7,066	7,406	570	588	562	587	6,947	-5.9
- Unfilled Orders	708	722	722	678	696	690	690	4.3
Unctd Free Sheet - Shipments	10,977	11,327	930	965	899	972	11,346	-1.6
- New Orders	11,184	11,365	989	934	887	984	11,221	-3.0
- Unfilled Orders	773	781	781	680	695	709	709	-8.3
Thin Papers - Shipments	251	227	18	15	17	15	186	-25.
Cotton Fiber Paper - Shipments	163	164	15	13	13	14	162	-4.7
Bleached Bristols - Production	1,044	1,139	95	97	89	95	1,124	1.
Tissue Paper - Production	5,301	5,476	450	466	437	505	5,629	3.
Total Packaging & Other Paper	5,074	5,199	423	455	408	448	5,243	-2.
Unbl. Kraft Paper - Shipments	3,081	3,038	258	273	236	265	3,093	-1.
Other Paper - Production	1,993	2,162	165	182	172	184	2,150	-2.
TOTAL PAPER-Production-Unadj.	36,996	38,476	3,140	3,299	2,989	3,299	38,347	-1.
-Production-S.A. RS			3,172	3,232	3,148	3,211	38,363	-0.
PAPERBOARD - PRODUCTION								
Solid Wood Pulp Furnish	28,862	29,318	2,488	2,535	2,307	2,552	29,578	-0.
Total Unbl. Kraft Paperboard	18,898	19,140	1,622	1,653	1,522	1,653	19,312	-1.
Unbl. Kraft Linerboard (1)	17,683	17,897	1,516	1,540	1,430	1,551	18,085	-0.
Production for Export	2,303	2,296	210	206	217	202	2,500	-3.
Other Unbl. Kraft Paperboard	1,215	1,244	107	113	92	102	1,228	-4.
Semichemical Paperboard	5,540	5,666	484	503	444	508	5,818	2.
Production for Export	193	136	10	16	11	17	176	18.
Solid Bleached Paperboard	4,406	4,511	382	379	341	391	4,448	-1.
Production for Export	619	628	54	57	44	60	645	2.
Recycled Paperboard	8,601	8,789	668	750	694	743	8,748	-2
Production for Export	75	72	4	4	3	3	39	-54
TOTAL PAPERBOARD-Prod.-Unadj.	37,445	38,107	3,155	3,285	3,001	3,296	38,324	-0
- Containerboard Prod.(Dom. Use)	23,025	23,563	1,977	2,027	1,833	2,041	23,604	-0
- Boxboard Prod.(Dom. Use)	6,969	7,125	588	600	549	607	7,027	-2
- All Other P'bd Prod.(D.U.)	4,262	4,288	313	375	344	364	4,333	0
- Total Paperbd Prod. for Export	3,190	3,132	278	283	274	283	3,361	-2
TOTAL PAPERBOARD PROD.- S.A. RS			3,128	3,217	3,259	3,181	38,632	0
TOTAL PAPER AND PAPERBOARD								
Production - Unadj.	**74,442**	**76,583**	**6,296**	**6,584**	**5,989**	**6,595**	**76,671**	**-1**
Production - S.A. RS			**6,300**	**6,450**	**6,407**	**6,392**	**76,995**	**-0**

(1) Includes all exports of kraft paperboard. **R - Revised P - Preliminary S.A. - Seasonally Adjusted**

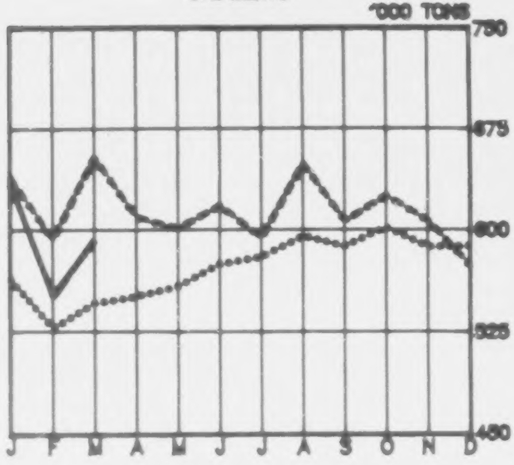
GROUNDWOOD PAPER, UNCOATED

SHIPMENTS



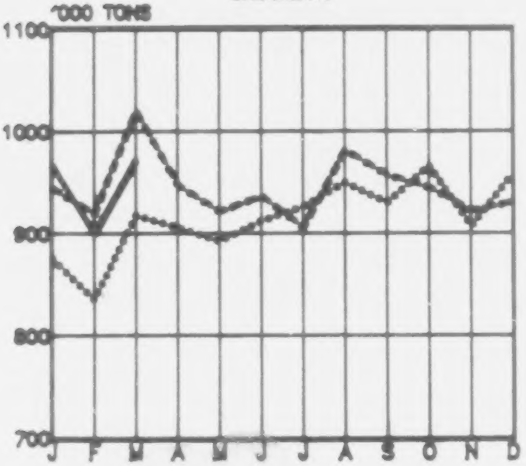
COATED PAPER

SHIPMENTS



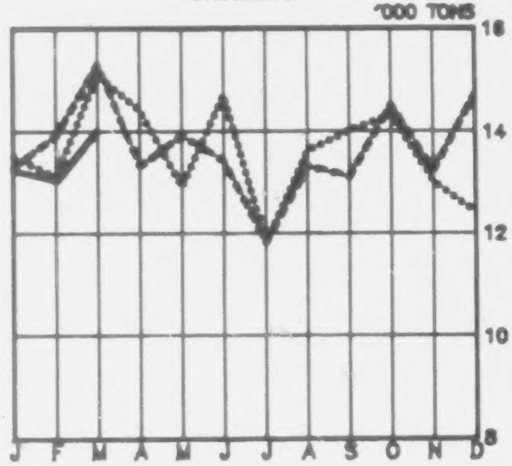
UNCOATED FREE SHEET PAPERS

SHIPMENTS



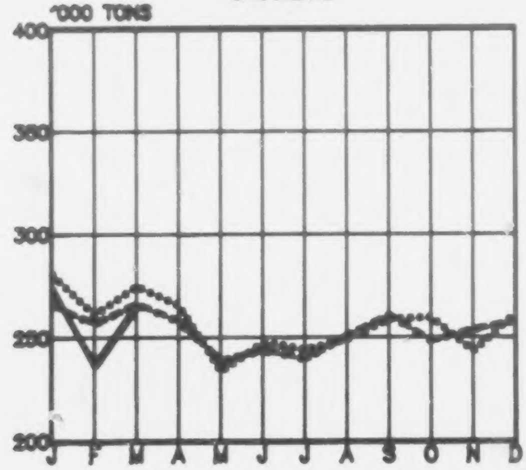
COTTON FIBER PAPER

SHIPMENTS



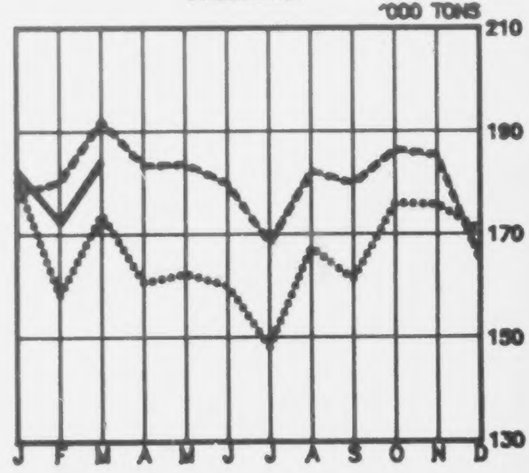
UNBLEACHED KRAFT PACKAGING
AND INDUSTRIAL CONVERTING PAPER

SHIPMENTS



OTHER PAPER

PRODUCTION



1987 ········ 1988 ------ 1989 ———

WOOD PULP STATISTICS

(Thousands of Tons)

	YEAR 1987	YEAR 1988	NOVEMBER 1988	DECEMBER 1988	JANUARY 1989	FEBRUARY 1989	Annual Rate Y-T-D 1989	% Change from same Period Last Year
TOTAL WOOD PULP				R,A	R,A	P		
Total Wood Pulp - Production	59,552	61,161	4,973	5,282	5,466	4,821	61,724	0.
- Imports	4,850	5,038 A	425	414	432	395	4,961	1.
- Exports	4,889	5,528	420	573	457	507	5,784	15.
- New Supply	59,513	60,671	4,979	5,123	5,442	4,709	60,901	-0.
Dissolving Pulp - Production	1,312	1,367	112	127	127	102	1,376	3.
- Imports	198	248	31	25	19	22	245	-0.
- Exports	752	865	73	89	55	69	741	14.
- New Supply	757	751	69	64	91	56	880	-4.
Paper Grades Chemical Pulp - Production	48,293	49,493	4,007	4,303	4,423	3,935	50,145	1.
- Imports	4,456	4,419 A	366	364	392	348	4,441	1.
- Exports	4,111	4,612	340	478	394	432	4,955	14.
- New Supply	48,637	49,300	4,033	4,189	4,421	3,851	49,631	0.
Groundwood and Thermo-Mech. - Production	5,702	5,943	489	484	520	438	5,746	-2.
- Imports	197	371 A	29	24	22	24	275	-8.
- Exports	26	51	6	6	9	6	87	319.
- New Supply	5,872	6,263	511	503	533	456	5,933	-4.
Semi-Chemical - Production	4,246	4,358	365	367	397	346	4,457	2.
- Imports								
- Exports								
- New Supply	4,246	4,358	365	367	397	346	4,457	2.
MARKET WOOD PULP								
Total Market Wood Pulp - Production	8,114	8,565	699	773	777	687	8,785	2.
- Imports	3,235	3,471	289	298	280	253	3,202	-4.
- Exports	4,820	5,071	384	510	401	407	4,846	4.
- New Supply	6,529	6,966	603	560	656	534	7,140	-1.
Dissolving Pulp - Production	1,308	1,365	112	127	127	102	1,372	3.
- Imports	154	206	19	22	7	17	145	-36.
- Exports	775	798	62	88	55	64	716	17.
- New Supply	687	774	68	61	79	54	800	-15.
Paper Grades Chemical Pulp - Production	6,806	7,200	587	646	650	586	7,413	2.
- Imports	2,975	3,126	267	273	269	234	3,015	2.
- Exports	4,045	4,273	323	422	346	343	4,130	2.
- New Supply	5,736	6,052	531	497	573	476	6,299	2.
Groundwood Pulp and All Other - Production	0	0	0	0	0	0	0	0.
- Imports RS	106	139	3	2	4	3	41	-78.
- Exports	0	0	0	0	0	0	0	0.
- New Supply	106	139	3	2	4	3	41	-78.

SOURCES: Total Wood Pulp Production & Market Wood Pulp Production, Imports & Exports - Pulp Division, Pulp, Materials and Technology Group, API. Total Wood Pulp Imports & Exports - Department of Commerce.

NOTE: A - API shifted Import data from January 1989 to December 1988 to compensate for misallocation of reported dat

FIBROUS RAW MATERIALS

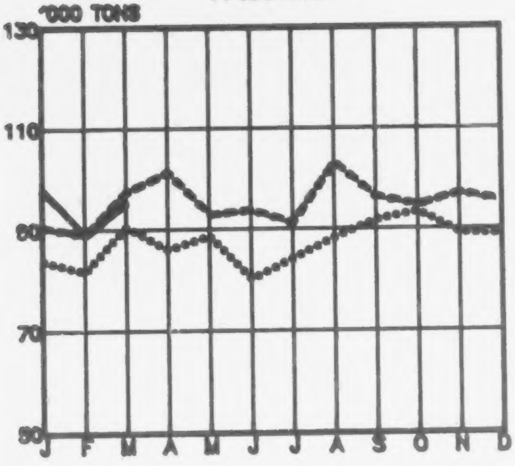
(Thousands of tons)

	YEAR 1987	YEAR 1988	NOVEMBER 1988	DECEMBER 1988	JANUARY 1989	FEBRUARY 1989	Annual Rate Y-T-D 1989	% Chang from sa Perio Last Ye
CONSUMPTION AT PAPER & PAPERBOARD MILLS					R	P		
Total	77,468	79,675	6,511	6,732	6,943	6,311	79,522	0
Total Wood Pulp	59,474	60,847	4,946	5,208	5,370	4,783	60,916	6
Waste Paper	17,993	18,827	1,565	1,524	1,573	1,528	18,607	0
INVENTORIES								
Chemical Paper Grade Market Pulp								
Producers' Own-Use Inventories	170	166	170	172	178	178	178	7
Producers' Market Inventories	224	264	301	261	344	354	354	33
Consumers' Purchased Inventories #	529	503	591	622	596	608	608	21
Waste Paper at Paper & Bd. Mills	902	851	1,058	1,073	1,050	948	948	11
Days of Supply at Pulp Mills of Chemical Paper Grade Mkt Pulp	12	13	17	14	18	18	18	3

SOURCES: Wood Pulp Data, Pulp Division, Pulp, Materials and Technology Group, API. Waste Paper Data, Paper Recycling Committee, API. # Includes all grades of wood pulp.
P - Preliminary; R - Revised; (0) - Indicates zero to five-hundred short tons RS - 1988 Revised Series

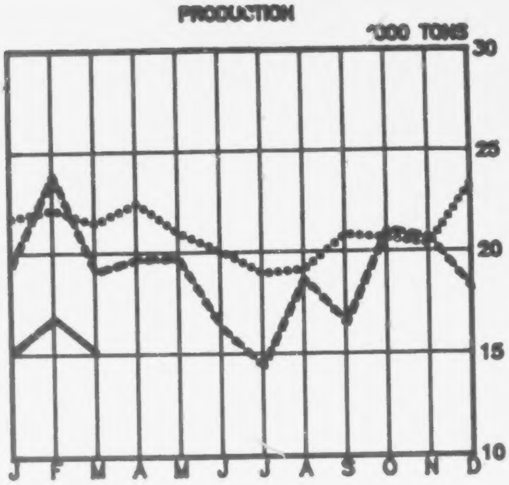
BLEACHED BRISTOLS

PRODUCTION



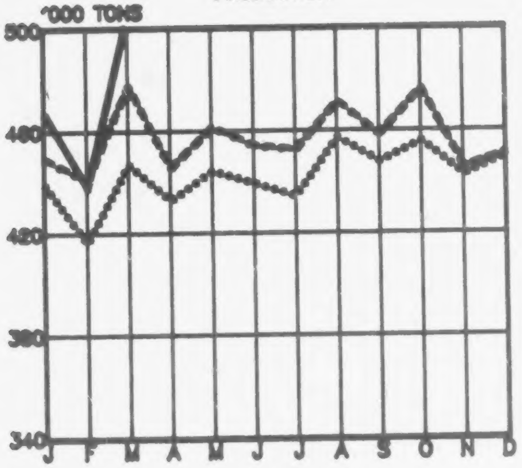
THIN PAPER

PRODUCTION



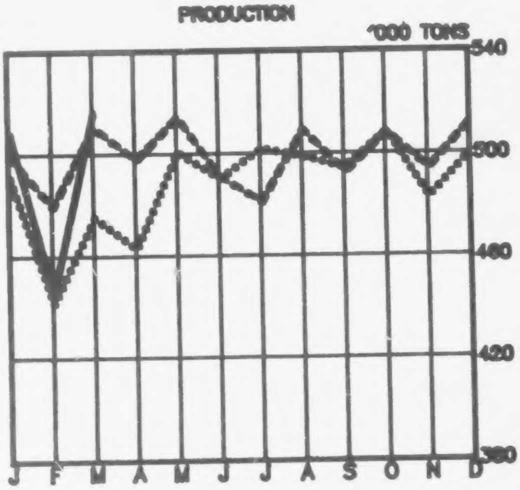
TISSUE PAPER

PRODUCTION



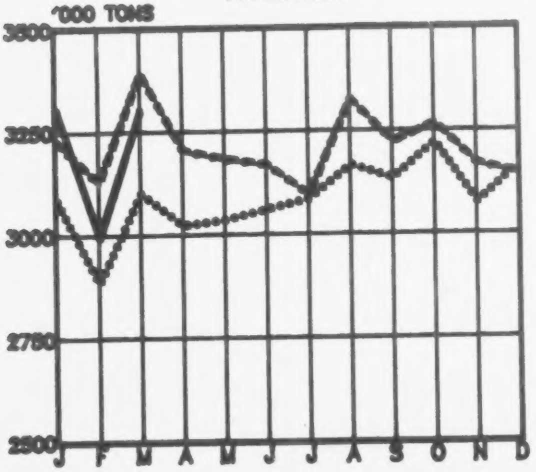
NEWSPRINT

PRODUCTION



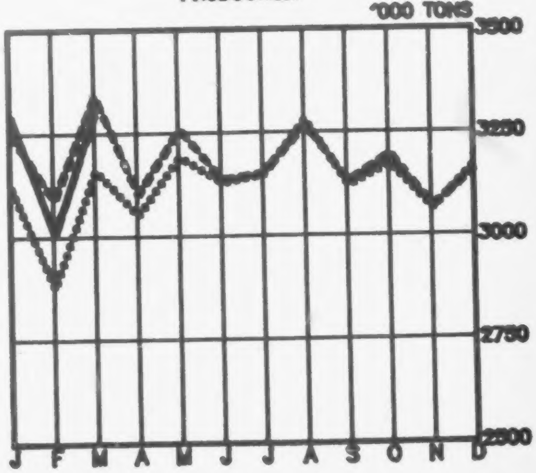
TOTAL PAPER

PRODUCTION



TOTAL PAPERBOARD

PRODUCTION



1987 ·········· 1988 ---------1989 ———

FIBROUS RAW MATERIALS

(Thousands of Standard (128 cubic foot) Cords)

		YEAR 1987	YEAR 1988	NOVEMBER 1988	DECEMBER 1988	JANUARY 1989	FEBRUARY 1989	Annual Rate Y-T-D 1989	% Change From Same Period Last Year
PULPWOOD									
Total U.S.	- Total Receipts	94,312	95,537	7,889	8,370	8,440	7,748	97,128	3.4
	- Total Consumpt	93,946	95,497	7,887	8,198	8,358	7,837	97,170	1.4
	- Residues *	32,899	33,186	2,770	2,812	2,894	2,746	33,840	5.
	- Inventories	5,096	4,888	4,790	4,888	4,861	4,701	4,701	-1.
So. Atlantic	- Total Receipts	31,147	31,582	2,697	2,786	2,765	2,542	31,842	3.
	- Total Consumpt	30,915	31,567	2,630	2,716	2,763	2,623	32,316	3.4
	- Residues *	9,553	9,897	832	885	860	874	10,404	5.
	- Inventories	1,211	1,200	1,176	1,200	1,194	1,115	1,115	4.2
Northeast	- Total Receipts	6,941	7,187	578	689	698	656	8,124	11.6
	- Total Consumpt	7,109	7,216	591	600	624	586	7,260	-1.
	- Residues *	1,543	1,664	155	151	133	168	1,806	21.
	- Inventories	594	572	506	572	597	685	685	5.
South Central	- Total Receipts	33,650	33,751	2,824	3,004	2,897	2,628	33,150	2.
	- Total Consumpt	33,059	33,646	2,760	3,031	2,920	2,743	33,978	1.
	- Residues *	9,992	9,890	835	841	879	737	9,696	2.
	- Inventories	1,294	1,160	1,196	1,160	1,133	953	953	-12.
North Central	- Total Receipts	6,552	6,865	475	608	690	631	7,926	-1.
	- Total Consumpt	6,764	6,929	573	558	601	561	6,972	-3.
	- Residues *	1,263	1,334	94	102	114	119	1,398	-11.
	- Inventories	830	839	768	839	932	979	979	-1.
West	- Total Receipts	16,022	16,152	1,315	1,283	1,390	1,291	16,086	3.
	- Total Consumpt	16,099	16,139	1,333	1,293	1,450	1,324	16,644	0.
	- Residues *	10,548	10,401	854	833	908	848	10,536	9.
	- Inventories	1,167	1,117	1,144	1,117	1,005	969	969	-1.

* - Consumption of Residues in Cord Equivalents.

SOURCE: American Pulpwood Association

02-May-89

UNITED STATES TRADE WITH CANADA

IMPORTS FROM CANADA

		YEAR 1988 Tons	YEAR 1988 ($000's)	JANUARY 1989 Tons	JANUARY 1989 ($000)	FEBRUARY 1989 Tons	FEBRUARY 1989 ($000)	Annual Rate Y-T-D 1989 Tons	% Change From same Period Last Yea
Pulpwood, Roundwood (in cords of 128 cubic feet)		39,337	4,195	18,765	450	18,515	906	223,680	680.
Pulpwood chips		876,038	35,184	80,612	2,508	93,527	3,691	1,044,835	20.
Wood Pulp, Total	A	4,340,245	2,282,329	386,412	221,792	369,269	218,489	4,534,082	6.
Waste Fibrous Materials, Total		227,004	48.450	20,942	4,581	13,440	2,600	206,291	-12.
Paper, Board & Products, Total	A	10,497,185	5,715,612	920,000	506,980	839,988	462,219	10,559,927	1.
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	A	10,348,278	5,458,084	902,329	477,464	820,473	439,658	10,336,811	0.
Paper, Paperboard & Products	A	10,283,277	5,649,813	897,383	502,070	819,398	457,980	10,300,688	0.
Paper & Paperboard, Only	A	10,134,369	5,392,286	879,713	472,554	799,883	435,419	10,077,572	-0
Paper, Total	A	9,869,253	5,295,796	843,946	457,585	771,029	423,826	9,689,848	-1
Newsprint	A	8,284,709	4,320,023	682,745	351,731	652,119	340,235	8,009,182	-3
Printing, Writing & Rel. Pap.	A	1,304,003	807,306	125,355	82,151	97,083	67,704	1,334,630	8
Pack. & Ind. Conv. Paper		227,493	120,765	25,274	12,900	15,038	8,033	241,871	-0
Special Industrial Paper		4,767	9,106	4,679	5,771	2,266	3,855	41,672	788
Tissue Paper		48,281	38,596	5,894	5,032	4,522	3,999	62,493	16
Paperboard, Total		265,116	96,490	35,767	14,969	28,854	11,593	387,724	43
Convtd Paper&Paperbd Products		148,908	257,528	17,671	29,516	19,515	22,561	223,117	49
Wet Machine Board		2,939	2,120	13	0	11	8	139	-95
Construction Paper & Board		210,970	63,679	22,604	4,901	20,579	4,231	259,100	48

NOTE: A - API shifted Import data from January 1989 to December 1988 to compensate for misallocation of reported data.

EXPORTS TO CANADA

Pulpwood, Roundwood (in cords of 128 cubic feet)	14,180	836	25	2	0	0	150	-96
Pulpwood chips	33,040	1,739	981	45	1,249	57	13,380	-50
Wood Pulp, Total	280,074	101,214	16,117	5,522	21,021	6,733	222,825	-
Cotton Pulp & Other Pulp	84,891	24,062	667	373	692	419	8,155	-92
Waste Paper	331,999	38,199	16,474	2,099	28,426	3,752	269,401	
Paper, Board & Products, Total	1,050,117	715,960	50,774	40,062	69,694	52,250	722,809	-2
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	773,973	464,416	34,074	26,668	44,916	33,247	473,938	-4
Paper, Paperboard & Products	1,013,157	699,127	49,880	39,527	68,356	51,636	709,412	-28
Paper & Paperboard, Only	737,013	447,583	33,180	26,133	43,577	32,634	460,541	-38
Paper, Total	340,156	293,175	18,512	18,704	23,647	22,288	252,958	-3
Newsprint	5,806	5,304	542	370	363	293	5,430	7
Printing, Writing & Rel. Pap.	166,667	160,007	12,106	11,786	13,282	12,309	152,324	-
Pack. & Ind. Conv. Paper	41,718	29,572	2,196	1,297	2,657	1,554	29,122	-3
Special Industrial Paper	118,806	90,276	3,304	4,664	6,976	7,550	61,682	-6
Tissue Paper	7,160	8,016	364	587	369	583	4,400	-1
Paperboard, Total	396,857	154,408	14,667	7,429	19,930	10,345	207,583	-4
Convtd Paper&Paperbd Products	276,145	251,544	16,700	13,394	24,779	19,003	248,871	
Wet Machine Board	6,527	2,590	5	2	183	78	1,129	-8
Construction Paper & Board	30,433	14,243	889	533	1,156	536	12,269	-5

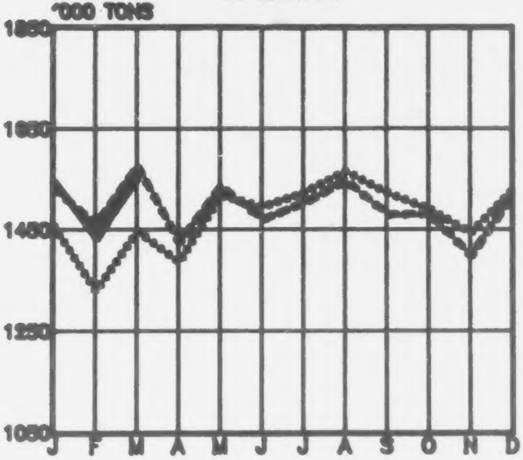
SOURCE: Bureau of Census, Department of Commerce .

E - Estimate of tonnage based on square foot data

02-May

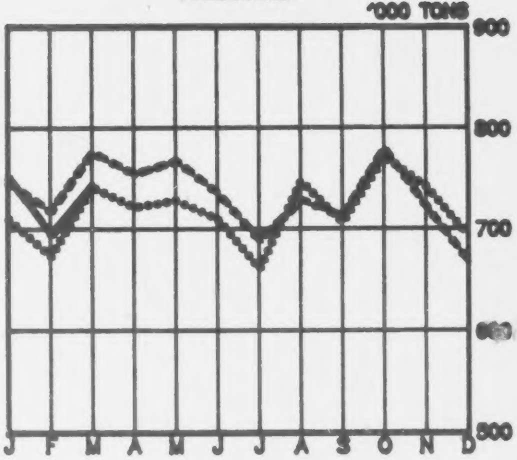
UNBLEACHED KRAFT LINERBOARD

PRODUCTION



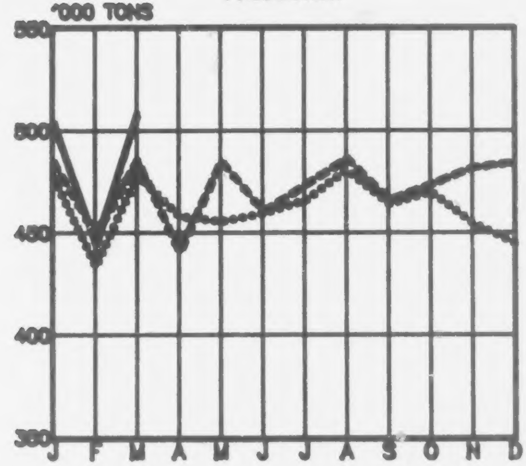
RECYCLED PAPERBOARD

PRODUCTION



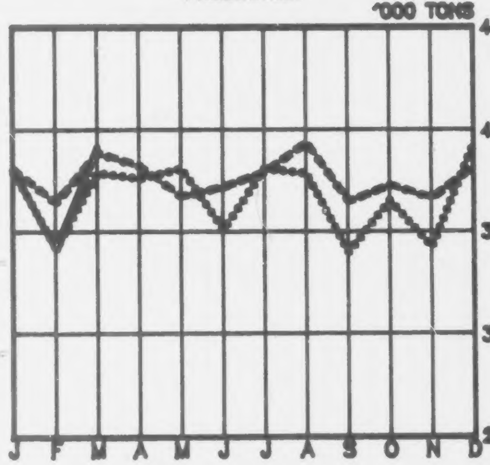
SEMICHEMICAL PAPERBOARD

PRODUCTION



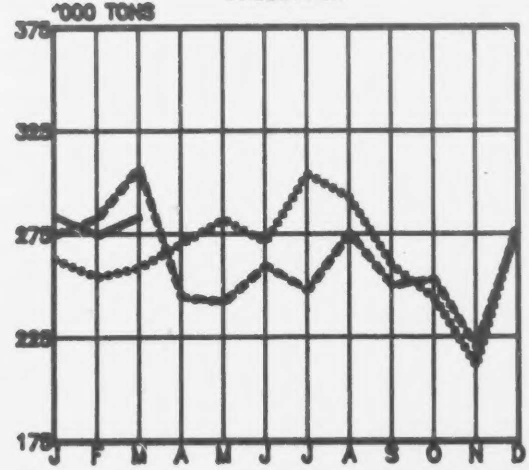
SOLID BLEACHED PAPERBOARD

PRODUCTION



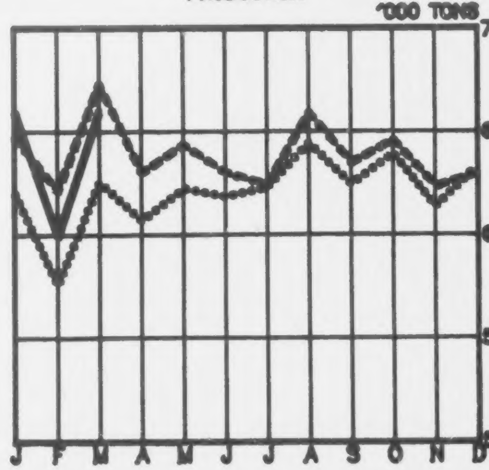
PAPERBOARD FOR EXPORT

PRODUCTION



TOTAL PAPER AND PAPERBOARD

PRODUCTION



1987 ········ 1988 -·-·-·- 1989 ——

I M P O R T S

	YEAR 1988 Tons	YEAR 1988 $000	1989 JANUARY Tons	1989 JANUARY $000	1989 FEBRUARY Tons	1989 FEBRUARY $000	(1) Annual Rate YTD 1989 Tons	% Chang from sam Period Last Yea
* * * *	*	*	*	* *	*			
Pulpwood Roundwood (cords)	39,515	4,200	18,765	450	18,515	906	223,680	600
Pulpwood Chips	888,636	35,553	81,798	2,544	94,393	3,719	1,057,149	21
Total All Imports A	18,402,259	10,725,164	1,545,121	925,689	1,434,223	880,338	17,876,064	1
Wood Pulp Total A	5,038,158	2,663,424	432,376	249,644	394,512	233,775	4,961,328	1
Waste Paper	161,367	27,361	23,495	5,948	13,752	2,547	223,481	24
Other Fibrous Materials	92,505	32,331	1,039	992	661	499	10,199	-86
Paper Board & Products Total A	13,110,229	8,002,047	1,088,212	669,105	1,025,297	643,517	12,681,056	1
Paper Paperboard Wet Machine Bd. & Construction Paper & Board A	12,679,974	6,989,006	1,041,833	592,828	968,096	564,222	12,059,569	-0
Paper Ppbd & Prds ex Cnst&WMB A	12,787,784	7,893,637	1,062,501	663,095	1,001,341	638,101	12,383,050	0
Paper & Paperboard Only A	12,357,530	6,880,596	1,016,121	586,818	944,140	558,806	11,761,563	-1
Paper Total A	12,016,519	6,749,882	977,070	568,560	910,590	540,846	11,325,959	-2
Newsprint A	8,801,503	4,569,853	699,968	359,549	664,917	346,581	8,189,305	-4
Printing & Writing A	2,812,259	1,899,745	224,207	162,992	203,913	154,644	2,568,719	-1
Uncoated Groundwood	1,362,642	792,881	97,167	59,994	86,552	54,619	1,102,313	-1
Coated Print.& Impreg. Pap. A	797,765	641,466	58,857	46,810	53,804	45,158	675,963	5
Uncoated Free Sheet A	591,830	414,326	52,356	39,598	52,456	42,294	628,871	16
Uncoated Book A	258,146	175,746	N.L.R.	N.L.R.	N.L.R.	N.L.R.	N.L.R.	N.L.
Writing and Similar Paper A	333,683	238,580	52,356	39,598	52,456	42,294	628,871	9
Thin (except Cigarette)	55,774	48,804	9,605	10,430	6,492	7,243	96,583	80
Bristols	4,247	2,269	6,222	6,160	4,609	5,329	64,988	7030
Total Pkg & Other Paper	343,196	231,796	42,596	37,095	32,216	31,155	448,868	3
Unbleached Kraft Paper	161,708	76,116	26,877	12,553	19,150	9,097	276,163	62
Other Pkg. & Indust. Paper	181,488	155,680	15,719	24,542	13,065	22,058	172,705	
Tissue	59,561	48,488	10,299	8,925	9,545	8,466	119,068	5
Paperboard, Total	341,011	130,714	39,051	18,258	33,550	17,961	435,604	31
Test or Containerboard	85,682	36,145	7,893	3,262	4,491	2,166	74,302	-1
Semi-Chemical Corrugating	142,490	43,596	9,630	3,112	9,945	3,037	117,451	-1
Other Paperboard	112,839	50,972	21,528	11,884	19,114	12,758	243,851	14
Convtd Paper&Paperbd Products	430,255	1,013,041	46,380	76,277	57,202	79,295	621,487	6
Paper Products, Total	393,089	944,974	37,329	62,074	48,585	66,516	515,486	4
Paperboard Products, Total	37,166	68,067	9,050	14,204	8,617	12,779	106,001	23
Wet machine Board	4,239	3,780	24	24	13	11	220	-9
Construction Paper & Board	318,206	104,630	25,688	5,985	23,943	5,405	297,785	20
Notes								
Other: No Weight Avail. ($000)		177,686		6,183		10,067	97,502	-4
Total Imports Incl. Other($000)		10,720,130		1,114,592		890,405	12,029,984	20

NOTE: A - API shifted Import data from January 1989 to December 1988 to compensate for misallocation of reported data.

E X P O R T S

							(1)	
Pulpwood, Roundwood (cords)	15,470	894	12,909	185	94	18	78,018	81
Pulpwood Chips	3,503,100	286,191	309,771	23,399	290,349	18,576	3,600,718	5
Total All Exports	17,062,208	7,467,363	1,354,444	598,561	1,553,660	667,982	17,448,620	1
Wood Pulp,Total	5,528,292	2,914,521	457,275	241,154	506,690	262,182	5,783,789	1
Cotton Pulp and Other Pulp	201,567	111,923	8,141	5,770	7,231	5,298	92,230	-6
Waste and Old Paper	5,640,118	688,258	447,061	53,485	513,648	61,534	5,764,251	1
Paper, Board & Products,Total	5,692,231	3,752,661	441,968	298,152	526,091	338,968	5,808,350	1
Paper,Paperboard,Wet Machine Bd. & Construction Paper & Board	4,877,563	2,701,405	373,280	211,899	437,431	240,083	4,864,261	8
Paper, Ppbd & Prod ex Cnst&WMB	5,560,356	3,683,601	438,545	296,589	523,525	337,903	5,772,419	1
Paper & Paperboard, Only	4,745,688	2,632,346	369,857	210,336	434,864	239,018	4,828,330	1
Paper, Total	1,103,490	988,031	96,577	84,903	118,505	96,932	1,290,486	2
Newsprint	427,296	295,474	48,505	33,305	56,616	34,981	630,725	9
Printing & Writing	287,208	313,047	24,787	25,561	31,190	30,021	335,860	2
Uncoated Groundwood	70,286	58,639	5,275	3,994	6,238	4,733	69,079	2
Clay Coated Paper	97,464	79,731	7,450	6,467	8,552	7,930	96,008	-
Uncoated Free Sheet	82,660	124,049	4,280	5,584	6,549	7,076	64,968	-
Other Printing & Writing	36,799	50,629	7,782	9,516	9,852	10,281	105,805	25
Total Pkg. & Other Paper	346,718	342,117	21,685	23,683	29,454	30,033	306,837	-1
Unbleached Kraft	110,075	54,975	9,522	4,113	9,185	4,353	112,244	1
Other Pkg. & Indust. Paper	236,643	287,142	12,163	19,570	20,269	25,680	194,593	-2
Tissue	41,268	37,393	1,600	2,354	1,244	1,897	17,065	-6
Paperboard, Total	3,642,198	1,644,314	273,281	125,433	316,360	142,086	3,537,844	
Solid Wood Pulp	3,359,078	1,511,057	261,112	118,331	300,378	132,244	3,368,938	
Total Linerboard	2,281,362	887,846	182,293	68,924	231,521	88,238	2,482,886	1
Bleached Kraft Linerboard	140,801	73,728	22,492	9,566	35,866	15,315	350,146	11
Unbleached Kraft Linerbd	2,140,562	814,119	159,802	59,358	195,655	72,924	2,132,740	1
Other Unbleached Kraft	292,437	102,638	18,377	9,746	17,607	8,647	215,903	-2
Other Bleached Kraft	742,918	502,513	57,100	38,168	49,126	34,460	637,357	-
Semi-Chemical Corrugating	42,360	18,060	3,341	1,493	2,124	899	32,792	-4
Recycled Paperboard	283,121	133,257	12,169	7,102	15,982	9,842	168,906	-3
Convtd Paper&Paperbd Products	814,668	1,051,256	68,688	86,253	88,660	98,885	944,089	3
Paper Products, Total	367,548	682,281	29,210	55,926	39,986	63,101	415,172	3
Paperboard Products, Total	447,121	368,975	39,478	30,327	48,675	35,784	528,917	2
Wet Machine Board	11,691	4,915	124	75	271	111	2,374	-6
Construction Paper & Board E	120,184	64,145	3,298	1,487	2,295	954	33,558	-6
Notes								
Other: No Weight Avail. ($000)		9,170		596		1,422	12,107	3
Total Exports Incl. Other($000)		7,476,533		599,157		669,404	7,611,365	1

SOURCE: Bureau of Census, U.S. Department of Commerce. E - Incl. estim. of tonnage based on square foot data.
(1) Annual Rate Year-To-Date is in tons unless otherwise specified in item description. N.L.R. - No longer reported.

PRODUCER PRICE INDEXES
1982 = 100

	1987	1988	DECEMBER 1988	JANUARY 1989	FEBRUARY 1989	MARCH 1989	Annual Rate Y-T-D 1989	% Chang from sam Period Last Yea
Pulp, Paper and Products except Building Grades	114.3	124.8	128.5	129.3	131.1	132.0	130.8	8.
Pulp Paper & Products, ex. Building Grades & ex Waste Paper *	113.2	123.8	128.0	128.9	130.7	131.6	130.4	9.
Total Wood Pulp	111.5	136.6	145.2	149.1	151.5	153.4	151.3	20.
Total Paper	111.5	123.2	127.7	128.7	130.2	130.7	129.9	9.
Total Paper, exc. Newsprint	110.6	123.3	128.7	129.5	130.7	131.4	130.5	10.
Newsprint	112.3	127.6	126.2	126.1	128.8	128.3	127.7	0.
Total Paperboard	118.1	133.2	136.5	137.8	138.7	141.6	139.4	8.
Total Paper and Paperboard *	113.6	126.3	130.5	131.6	132.9	134.1	132.8	9.
Converted Products	114.7	123.0	127.1	127.6	129.8	130.3	129.2	8.
Waste Paper	181.4	183.6	158.9	155.3	156.8	158.2	156.8	-19.
All Commodities	102.8	106.9	109.0	110.3	110.8	111.5	110.9	5.
Industrial Commodities	102.6	106.3	108.1	109.4	110.0	110.6	110.0	5.

SOURCE: Producer Price Indexes: Bureau of Labor Statistics, U.S. Department of Labor * Computed by API

DISTRIBUTION OF PAPER/PAPERBOARD PRODUCTS TO MAJOR CUSTOMERS
(% of total dollar output)

Paperboard Containers and Boxes	
Food	31.2%
Wholesale & Retail	5.4
Drugs, Cleaning, & etc.	5.0
Paper and Allied Products	4.8
Eating & Drinking Places	4.6
Rub. & Misc. Plas. Prod.	4.1
Papbd. Cont. & Boxes	3.6
Glass & Glass Products	2.6
Miscellaneous Mfg.	2.3
Other Fab. Metal Prod.	2.1
Other Intermediate	30.3
Total Intermediate	**96.0%**
Purchases by Individuals	1.4%
Gov. Purchases	1.1
Exports	1.4
Imports	-0.5
Other Final Demand	0.6
Total Final Demand	**4.0**
Total Intermediate and Final Demand	**100.0%**

Paper and Allied Products*	
Printing & Pub.	23.1%
Paper and Allied Products	17.9
Papbd. Cont. & Boxes	12.4
Wholesale & Retail	5.1
Food	5.0
Health, Educ. & Soc. Serv.	2.5
New Construction	1.5
Chem. & Chem. Products	1.3
Rub. & Misc. Plas. Prod.	1.1
Business Services	1.1
Other Intermediate	11.8
Total Intermediate	**82.8%**
Purchases by Individuals	15.5%
Gov. Purchases	3.4
Exports	5.8
Imports	-9.4
Other Final Demand	1.9
Total Final Demand	**17.2**
Total Intermediate and Final Demand	**100.0%**

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*Excludes Paperboard Containers and Boxes
Source: Department of Commerce, 1983 Input/Output Tables

tons of newsprint received from Canada in December were reported in the January totals, and have shifted this tonnage accordingly. We have also shifted 8,900 tons of coated paper, 15,700 tons of uncoated free sheet papers and 100,000 tons of wood pulp from January 1989 to December 1988. As a result our December 1988 and January 1989 totals will not match those published by Census, nor will our totals for 1988 and 1989. They will, however, give a more accurate picture of the actual movements of imports. At the same time, the changes in the codes resulted in some differences in the products included in the reported grade totals from those in the old system, so that care must be taken in interpreting the reported 1988-1989 changes.

The imports table on page 9, which takes these adjustments into account, shows total imports of paper and paperboard in the first two months of 1989 2% below its year-ago rate, compared to the 12% increase indicated by the original Census data. The very large increases in bristols and in paperboard products suggest that new products are being coded to these grades.

The 1989 data on linerboard exports as reported by Census show a considerably stronger increase than indicated by the API data on linerboard production for export shown on Page 3. The level of exports -- 2.5 million tons per year -- is about the same as that shown by the API data. The problem seems to be in the low Census tonnage for the first two months of 1988. However, the Census total for all of 1988 of 2.28 million tons also compares well with API's 2.30 million tons.

MARKET WOOD PULP

Production of market wood pulp continued near its record-high 1988 rates during the first quarter of 1989. Production of the chemical paper grades were slightly above their year-ago totals, running at 7.3 million short tons per year. March 1989 shipments were considerably above the production total, resulting in a sharp decline in producers inventories, bringing them back to the level of the beginning of the year. The first quarter 1989 shipments total was very close to its year-ago level, with a 7% decline in shipments to the domestic market offset by a 5% gain in exports.

SALES AND EARNINGS

Data on sales and earnings for 27 paper and allied products companies in the first quarter of 1989 showed further impressive gains. Sales of these companies rose by 11% over their year-ago quarter; after tax earnings by 17%. The ratio of after-tax earnings to sales in the 1989 period was 8.0%, compared to 7.6% one year ago. These ratios compare to the 5%-6% levels generally shown by the totals for all paper and allied products companies prior to 1988.

INPUT/OUTPUT STATISTICS FOR THE U.S. PAPER INDUSTRY

Input/Output tables for the U.S. economy of 1983 have recently been released by the Commerce Department. The tables trace the dollar flow of goods and services between industries and to final consumers. Final customers include householders, government entities and exports. Imports are included as a source of products to the intermediate industries and netted out in the final demand figures, bringing the shipments total back to the domestic industry level. (See table at bottom of Page 10.)

The leading intermediate consumers of the paper and allied products industry (excluding containers and boxes, which are counted as a separate industry in this structure) were the printing and publishing industries, which used the equivalent of 23.1% of the shipments total. Of this, an estimated 5.6% came from foreign sources and 17.5% from domestic sources.

Purchases of market pulp by paper and paperboard mills, together with purchases of paper by converters of bags and sacks, envelopes, and similar products made the paper and allied products industry (as defined here) one of its own best customers. It took the equivalent of 17.9% of total industry shipments, 5.1% from foreign sources and 12.8% from the domestic industry.

Altogether, nearly 83% of the dollar-value of paper and allied products (excluding paperboard containers and boxes) consumed in 1983 went to intermediate users, the remaining 17% to final demand. Although paper and paperboard are primarily industrial products, purchases by individuals, which are included in the final demand figures, accounted for 15.5%. Exports accounted for 5.8% of the total. Imports, which are included in the intermediate goods consumption totals, were equivalent to 9% of the total and were netted out in the final demand section.

Converters of paperboard containers and boxes accounted for 12.4% of the total shipments, with only a negligible amount coming from foreign sources. About two-thirds of the total paperboard tonnage made in the U.S. in 1983 went to domestic producers of containers and boxes.

The I/O tables reveal that 96% of paperboard containers and boxes, a category that encompasses corrugated shipping containers, folding boxes, sanitary food containers and other paperboard packaging products, went to the intermediate industries in 1983. Only 4% went to final demand.

A 2500-

INDUSTRY FACT SHEET

AMERICAN PAPER INSTITUTE, INC.
260 Madison Avenue
New York, New York 10016

April 28, 1989

PRODUCTION (000 TONS)

*	(P) MARCH 1989	* FEBRUARY 1989	* MARCH 1988	* FIRST 3 MONTHS 1989	* 1988	% CHANGE YR TO DATE 1988/1987
PAPER GRADES						
Newsprint	516	445	510	1,469	1,487	-1.3
Printing & Writing	1,830	1,699	1,944	5,400	5,543	-2.6
Uncoated Groundwood (s)	142	131	139	421	396	6.2
Coated Paper (s)	592	551	653	1,775	1,883	-5.7
Uncoated Free Sheet Paper (s)	972	899	1,020	2,837	2,883	-1.6
Thin Paper (s)	15	17	19	47	62	-25.2
Cotton Fiber Paper (s)	14	13	15	41	43	-4.7
Bleached Bristols (s)	95	89	97	281	276	1.8
Tissue Paper	505	437	477	1,407	1,366	3.0
Total Pkg & Other Paper	448	408	458	1,311	1,337	-2.0
Unbl. Kraft Paper (s)	265	236	266	773	788	-1.8
Other Paper	[illegible]4	172	192	538	550	-2.2
TOTAL PAPER	3,299	2,989	3,389	9,587	9,734	-1.5
PAPERBOARD GRADES						
Unbleached Kraft Paperboard	1,653	1,522	1,689	4,828	4,881	-1.1
Unbleached Kraft Linerboard	1,551	1,430	1,573	4,521	4,561	-0.9
Other Unbl. Kraft Paperboard	102	92	116	307	320	-4.1
Semichemical Paperboard	508	444	485	1,454	1,418	2.6
Bleached Paperboard	391	341	389	1,112	1,133	-1.8
Recycled Paperboard	743	694	776	2,187	2,238	-2.3
TOTAL PAPERBOARD	3,296	3,001	3,339	9,581	9,670	-0.9
TOTAL PAPER AND PAPERBOARD	6,595	5,989	6,727	19,168	19,403	-1.2

WOOD PULP (ALL GRADES)	FEBRUARY 1989	JANUARY 1989	FEBRUARY 1988	FIRST TWO MONTHS 1989	1988	% Change 88/87
Dissolving & Special Alpha	102	127	116	229	221	3.8
Bleached Sulfite) Unbleached Sulfite)	117	139	119	255	253	0.9
Bleached & Semi-Bl. Sulfate	2,122	2,384	2,076	4,506	4,343	3.8
Unbleached Sulfate	1,696	1,900	1,772	3,596	3,670	-2.0
Semichemical	346	397	344	743	725	2.4
Groundwood & Thermomechanical	438	520	471	958	986	-2.9
TOTAL PULP DIVISION DATA	4,821	5,466	4,898	10,287	10,198	0.9

(s) - Shipments
P - Preliminary

APRIL 28, 1989

	Full Year		INDUSTRY DATA 1988 - 1989			Ann. Rate Year - To - Date	% From Same Pd Last Ye
				R	P		
PAPER AND PAPERBOARD -- Tons (000)	1987	1988	January	February	March	1989	
Total Production (API).......: excluding :...	74,435	76,705	6,584	5,989	6,595	76,672	-1.
Total Seasonally Adjusted....:construction:...			6,450	6,406	6,392	76,994	-0.
Imports (including Products).: and wet :..E	12,454	12,788	1,063	1,001	1,037	12,403	-3.
Exports (including Products).: machine :..E	5,197	5,560	439	524	487	5,796	4.
Apparent Consumption.........: grades :...	81,692 a	83,933 b	7,074	6,884	6,942	83,279 c	-1.
Paper Production % Tonnage Capacity...........	94.1 g	95.5	95.5	95.1	94.5	95.0	-
Paperboard Production % Tonnage Capacity......	96.8 g	96.7	95.3	95.7	94.6	95.2	-
			December	January	February		
IMPORTS.....:Including Construction and :...	12,837	12,876	812	1,088	1,025	12,681	1.
EXPORTS.....: WMB Grades (excl. HPB) :...	5,304	5,797	500	442	526	5,808	0.
MARKET WOOD PULP PRODUCTION - Tons (000)........	8,114	8,565	773	777	687	8,785	2.
TOTAL WOOD PULP PRODUCTION - Tons (000).........	59,552	61,161	5,282	5,466	4,821	61,724	0.
WOOD PULP IMPORTS - TONS (000)..................	4,850	5,038	414	432	395	4,961	1.
WOOD PULP EXPORTS - TONS (000)..................	4,889	5,528	573	457	507	5,784	15.
RAW MATERIALS CONSUMPTION - Tons (000)							
..PAPER AND BOARD MILLS : excluding. :			December	January	February		
Wood Pulp.............:consumption for:.....	59,475	60,847	5,208	5,370	4,783	60,916	0.
Waste Paper...........:construction & :.....	17,993	18,828	1,525	1,573	1,528	18,607	0.
TOTAL..........: WMB grades :.....	77,468	79,675	6,732	6,943	6,311	79,522	0.
PULPWOOD CONSUMPTION Cords(000)Amer.Pulpwd. Assn	93,946	95,497	8,198	8,358	7,837	97,170	1.
EMPLOYMENT (000)			January	February	March		
Paper and Allied Products..........Total......	679.0	689.3	688.2	687.1	688.4	687.9	0.
Pulp, Paper and Board Mills........Total.....E	244.9	245.5	243.6	242.6	242.6	242.9	-0.
AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS ($)			January	February	March		
Paper and Allied Products......................	11.42	11.64	11.77	11.79	11.82	11.79	2.
Pulp, Paper Mills..........................E	14.00	14.29	14.44	14.48	14.55	14.49	3.
Paperboard Mills...........................E	14.30	14.49	14.47	14.56	14.57	14.53	1.
CAPITAL EXPENDITURES, PAPER & ALLIED PRODUCTS			1988 Q3	1988 Q4	1989 Q1		
(Rept. by US Dept. of Com., Ann. Rates, Bill.$)*	9.01	11.23	11.37	12.53	15.47	15.21 Y	35.
INDEX OF OUTPUT PER MAN-HOUR (1977=100)..........			January	February	March		
:IN PULP, PAPER :...Production Workers..........	145.0	149.7	154.2	151.2	152.2	152.5	0.
:AND BOARD MILLS:...All Employees...............	141.8	146.5	150.6	147.8	149.1	149.2	0.
PAPER AND ALLIED PRODUCTS (Million $)			December	January	February		
Industry Shipments (Dept. of Commerce)*........	118,855	127,718	10,956	10,938	10,802	130,440	1.
Pulp, Paper and Paperboard*..................	51,518	57,177	4,860	4,912	4,878	58,740	-0.
Inventories (End of Period) - Total Industry*..	11,284	12,065	12,065	12,093	11,941	11,941	3.
Pulp, Paper and Paperboard*..................	4,266	4,325	4,325	4,478	4,473	4,473	2.
			1989 Q2	1988 Q3	1988 Q4		
Sales (Corporations Only)......................	95,576	107,014 RS	27,227	27,344	26,939	107,014	12.
Earnings (Corporations Only)...................	5,520	8,077 RS	2,195	2,227	1,911	8,077	46.
Depreciation (Corporations Only)...............	4,279	4,620 RS	1,124	1,162	1,165	4,620	8.
Net Worth (Corporations Only)..................	39,217	42,933 RS	41,621	43,015	42,933	42,933	9.
PRICE INDEXES (Bureau of Labor Stats)1982=100			January	February	March		
Pulp, Paper & Products, ex. Building Grades....	114.3	124.7	129.3	131.1	132.0	130.8	8.
Wood Pulp......................................	111.6	136.7	149.1	151.5	153.4	151.3	20.
Waste Paper....................................	181.4	183.5	155.3	156.8	158.2	156.8	-19.
Paper..	111.5	123.2	128.7	130.2	130.7	129.9	9.
Paperboard.....................................	118.1	133.2	137.8	138.7	141.6	139.4	8.
PAPER DEMAND (INDEXED: 1977=100)			January	February	March		
Total Paper Production *......................	133.8	138.9	140.0	136.3	139.1	138.5	-0.
Paper New Supply *...........................	140.6	144.8	144.9	138.8	142.7	142.2	-2.
Demand Indicators - (Weighted Average) *.....	154.5	163.7	170.1	171.1	171.6	170.9	6.
Production of Nondurable Goods *...(21.2%).	136.8	143.9	148.6	148.6	148.6	148.6	5.
Disposable Income ....*.(23.9%)	130.0	134.9	138.5	139.8	139.9	139.4	4.
Total Printing and Publishing *...(54.9%).	172.0	183.8	192.2	193.5	194.2	193.3	8.
Trend Factor				Not Available			
PAPERBOARD DEMAND (INDEXED: 1977=100)							
Total Paperboard Production *.................	129.1	132.0	133.4	135.1	131.9	133.4	-0.
Production for Domestic Use	126.1	129.4	129.9	132.1	128.2	130.0	0.
Demand Indicators - (Weighted Average) *.....	125.9	132.5	136.6	136.7	136.4	136.6	5.
Production of Consumer Goods *...(62.06%)	127.7	133.9	138.6	139.0	138.4	138.7	5.
Production of Equipment *...(5.75%)	148.8	158.2	161.6	162.0	162.3	162.0	4.
Production of Materials *...(32.19%)	118.3	125.3	128.3	127.9	128.0	128.1	4.
Trend Factor				Not Available			
NEWSPRINT MARKETS			December	January	February		
Consumption by Publishers - Tons (000).........	13,583	13,598	1,144	1,063	1,028	12,546	-1.
Newspaper Pub. and Printing Empl. Total(000)...	471	478	482	481	480	480	0.
PRINTING AND FINE PAPER MARKETS							
MAGAZINE ADVERTISING PAGES (PIB, Inc.)...........	164,771	167,504	14,831	10,857	13,977	149,005	1.
WHOLESALERS SALES AND INVENTORIES (Million $)							
Total Paper & Pap. Prdcts.,ex Wallpaper..Sales	44,741	52,377	4,443	4,464	4,311	52,650	9.
Inventories (End of Period).	3,850	4,436	4,436	4,728	4,820	4,820	21.
FIBRE BOX DATA (Fibre Box Association)			January	February	March		
Fibre Box Shipments (Million square feet).......	297,827	308,507	26,544	24,184	26,755	309,932	0.
Container'bd Inventory at Mill & Plant(000Tons).	2,486	2,553	2,707	2,612	2,579	2,579	2.
RETAIL TRADE (Billion $)			January	February	March		
Total Retail Sales *..........................	1,511	1,612	140	139	139	1,675	5.
Nondurable Goods Stores Sales *...............	950	998	86	86	87	1,037	7.
GENERAL ECONOMIC DATA			January	February	March		
TOTAL INDUSTRIAL PRODUCTION (INDEX 1977 = 100)*..	129.8	137.2	141.0	141.0	141.0	141.0	4.
PRODUCER PRICES(ALL COMMODITIES)(INDEX 1982=100).	102.8	106.9	110.3	110.8	111.5	110.9	5.
CONSUMER PRICES (ALL ITEMS) (INDEX 1982-4=100)...	113.6	118.3	121.1	121.6	122.3	121.7	4.
			December	January	February		
TOTAL CONSUMER CREDIT OUTSTANDING - (Billion $)..	623.6	678.1	678.1	684.7	682.3	682.3	10.
GROSS NATIONAL PRODUCT - ANNUAL RATE (Billion$)..			1988 Q3	1988 Q4	1989 Q1		
G.N.P. or Expenditure - Current $..............	4,527	4,864	4,909	5,000	5,117	5,117	7.
G.N.P. or Expenditure - 1982 $.................	3,847	3,996	4,009	4,033	4,088	4,088	3.

	lb/capita		
Pap&Papbd	Othr	Totl	Popul(mil)
.a - 670	+ 17	= 687	243.9
.b - 684	+ 17	= 701	245.5
.c - 678	+ 17	= 695	245.5

.E - Last month estimated by API

f - Wood Pulp Production excludes def., explo. & scrngs.
g - Adjusted for holiday shutdowns
h - First 3 quarters, annual rate
Q - Quarter

R - Revised
Y - Full year estim. by U.S. Dept. of Com.
RS - Revised Series
* - Seasonally Adjusted.

A2500.2
6/20/89

Paper Paperboard & Wood Pulp

MONTHLY STATISTICAL SUMMARY · Vol. 67 No. 5 MAY 1989

PAPER AND PAPERBOARD PRODUCTION: STILL HOLDING STEADY

The April 1989 seasonally-adjusted rate of paper and paperboard production held close to the flat high-level trend it has been following since the beginning of 1988. The rate for the entire January-April 1989 period, 77.1 million tons per year, matched its year-ago level and 0.7% above the rate for all of 1988.

Paper: The rate of total paper production in the January-April 1989 period was 38.4 million tons per year, 0.3% below its year ago level. Last year's total was revised downward by 0.2% as a result of the Printing-Writing Paper Division re-survey of the reported data.

As the table on page 3 shows, the steadiness shown by the paper total resulted from some rather large offsetting gains and losses. Most impressive was the 9.4% increase in groundwood paper shipments, largely reflecting a major increase in shipments to commercial printers. Shipments to periodical publishers were only slightly above year-ago levels in this January-April 1989 period.

The strength in the current demand for these papers is also shown by the 12% increase in imports recorded in the first quarter of the year. Two grades in the Harmonized Code System originally included in newsprint have been shifted to groundwood papers as a result of a re-evaluation of the content of these codes. Imports now account for about half the total new supply of groundwood papers available to United States consumers.

Shipments of coated papers were down by 5%, reflecting declines in shipments to most of the major users of these papers. Shipments of these papers had shown a 7.3% increase from 1987 to 1988, and a 9.5% increase from 1986 to 1987, a two-year gain of one million tons from a base of 6.3 million tons. Coated paper consumers are probably utilizing inventories accumulated during the past two years to meet part of their current requirements. These inventory reductions have apparently also affected imports: the first quarter total was 5% below their year-ago level. Imports now account for about 8.5% of the total new supply. Exports, at 135,000 tons per year, were 21% above their year-earlier total.

Among the other paper grades, demand for tissue papers has

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been unusually strong, with the four-month 1989 total showing a 3.4% gain over its year-ago level. Total consumption of these papers has kept pace with real GNP throughout the Nineteen-Eighties, indicating that households have been increasing their use of these consumer papers.

Packaging paper production in the first four months of 1989, while below its year-ago level, held close to its 1988 average rate. However, shipments of unbleached kraft paper in April were well below production, bringing the 4-month shipments rate 5.1% below its 1988 average.

Paperboard: The steadiness in paperboard demand resulted from a pattern of offsetting gains and losses. Small gains in production of containerboard for domestic use and for export, along with production of the non-packaging grades, offset a 3% decline in production of boxboard for domestic use.

Export demand has been a strong support to total production of the containerboard grades. Where production of containerboard for domestic use showed a 0.2% gain over its year-ago level in the first four months of 1989, production of kraft paperboard for export gained 2.0% and production for export of semichemical paperboard gained 10.8%.

The gain in containerboard production just about matched the 0.6% increase in shipments of fiber boxes. Total containerboard inventories at mills and plants as of May 1, 1989 were a scant 1% above their year-ago total and matched last year's 5.1 weeks of supply.

Production of solid bleached board for export also registered a small gain, but not enough to keep the total production at its year-ago level. Recycled paperboard production, after three consecutive years of growth, declined by 2.3% from the first four months of 1988 to the comparable 1989 period.

The decline in boxboard production for domestic use is reflected in the market statistics. For example, the January-April 1989 total for solid bleached folding boxboard for domestic use was 3.2% below that of one year ago, while production of milk carton and food service paperboard excluding exports fell 2.4%.

IMPORTS AND EXPORTS

The Bureau of the Census reported that total imports of all paper and allied products in the first quarter of 1989 were 0.1% above their year-ago totals while exports gained 13.5%. For paper and paperboard alone, imports fell 2.5%, exports gained 10.7%. In dollar terms, total imports were at an annual rate of $11.4 billion, up 8.9%. Exports, at $8.4 billion, gained 19.9%.

Continued on page 11

PAPER AND PAPERBOARD STATISTICS

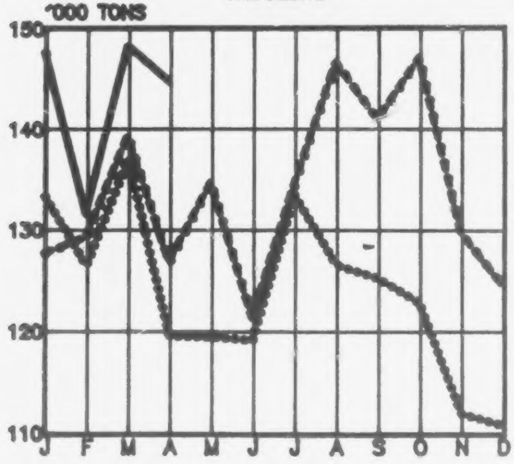
PRODUCTION, SHIPMENTS AND ORDERS
(Thousands of Short Tons)

	YEAR 1987	YEAR 1988	JANUARY 1989	FEBRUARY 1989 (R)	MARCH 1989 (R)	APRIL 1989 (P)	Annual Rate Y-T-D 1989	% Change From same Period Last Year
PAPER								
Newsprint - Production	5,842	5,982	507	445	516	495	5,890	-1.1
- Shipments	5,854	5,969	482	454	509	487	5,793	-1.4
Printing & Writing Sum	20,768	21,755	1,869	1,696	1,893	1,801	21,778	-1.0
Groundwood Paper - Shipments	1,485	1,601	148	131	148	145	1,715	9.4
- New Orders	1,529	1,631	140	126	164	129	1,674	9.3
-Unfilled Orders	164	207	182	178	201	181	181	0.7
Coated Papers - Shipments	6,860	7,359	633	550	608	574	7,093	-5.0
- New Orders	7,066	7,404	588	561	603	534	6,857	-7.6
- Unfilled Orders	708	721	678	696	701	665	665	-1.8
Unctd Free Sheet - Shipments	10,977	11,272	962	896	1,002	954	11,444	0.2
- New Orders	11,184	11,310	931	884	1,015	918	11,243	-2.9
- Unfilled Orders	773	781	680	695	720	668	668	-16.8
Thin Papers - Shipments	240	217	14	16	15	15	181	-22.6
Cotton Fiber Paper - Shipments	163	162	13	13	15	13	160	-2.8
Bleached Bristols - Production	1,044	1,144	100	90	106	100	1,184	4.2
Tissue Paper - Production	5,301	5,476	466	437	505	465	5,617	3.4
Total Packaging & Other Paper	5,074	5,199	455	407	448	386	5,091	-4.6
Unbl. Kraft Paper - Shipments	3,081	3,038	272	236	265	219	2,975	-5.1
Other Paper - Production	1,993	2,162	182	171	184	168	2,116	-3.7
TOTAL PAPER-Production-Unadj.	36,985	38,413	3,297	2,985	3,363	3,147	38,375	-0.9
-Production-S.A. RS			3,230	3,144	3,272	3,166	38,438	-0.3
PAPERBOARD - PRODUCTION								
Solid Wood Pulp Furnish	28,862	29,318	2,535	2,307	2,545	2,409	29,389	0.2
Total Unbl. Kraft Paperboard	18,898	19,140	1,653	1,522	1,656	1,586	19,252	0.2
Unbl. Kraft Linerboard (1)	17,683	17,897	1,540	1,430	1,554	1,491	18,045	0.5
Production for Export	2,303	2,296	206	217	202	213	2,513	2.0
Other Unbl. Kraft Paperboard	1,215	1,244	113	92	102	96	1,207	-4.2
Semichemical Paperboard	5,540	5,666	503	444	496	468	5,731	2.8
Production for Export	193	136	16	11	17	8	157	10.8
Solid Bleached Paperboard	4,406	4,511	379	341	392	356	4,406	-3.1
Production for Export	619	620	57	44	60	51	637	0.7
Recycled Paperboard	8,601	8,789	750	694	740	739	8,768	-2.3
Production for Export	75	72	4	3	3	4	40	-53.1
TOTAL PAPERBOARD-Prod.-Unadj.	37,445	38,107	3,285	3,001	3,285	3,148	38,155	-0.4
- Containerboard Prod.(Dom. Use)	23,025	23,563	2,027	1,833	2,031	1,929	23,457	0.2
- Boxboard Prod.(Dom. Use)	6,969	7,125	600	549	606	578	7,001	-3.3
- All Other P'bd Prod.(D.U.)	4,262	4,288	375	344	365	366	4,349	0.3
- Total Paperbd Prod. for Export	3,190	3,132	283	274	283	276	3,347	0.7
TOTAL PAPERBOARD PROD.- S.A. RS			3,217	3,259	3,171	3,233	38,642	0.4
TOTAL PAPER AND PAPERBOARD Production - Unadj.	74,430	76,520	6,582	5,986	6,648	6,295	76,530	-0.6
Production - S.A. RS			6,448	6,403	6,443	6,399	77,080	0.0

(1) Includes all exports of kraft paperboard.   R - Revised   P - Preliminary   S.A. - Seasonally Adjusted

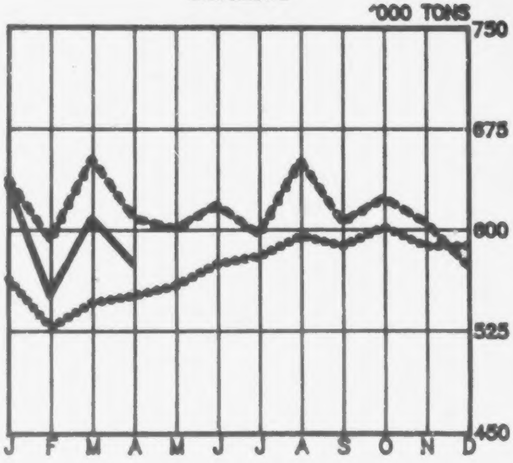
GROUNDWOOD PAPER, UNCOATED

SHIPMENTS



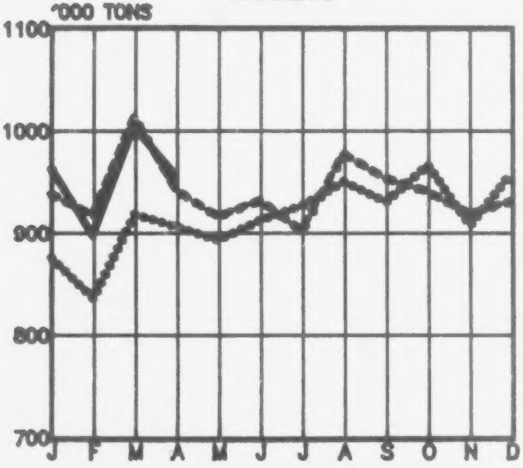
COATED PAPER

SHIPMENTS



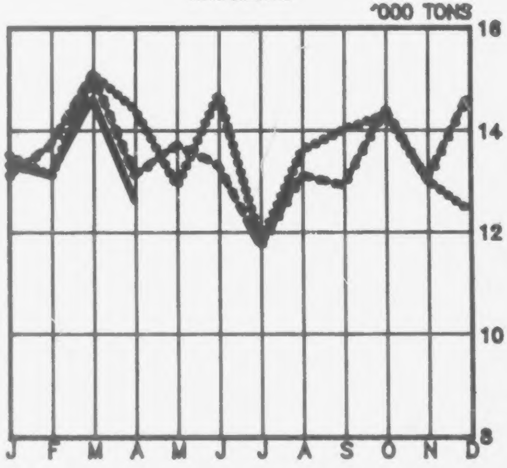
UNCOATED FREE SHEET PAPERS

SHIPMENTS



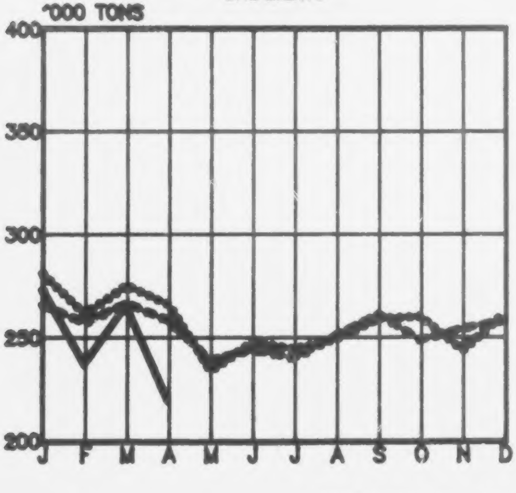
COTTON FIBER PAPER

SHIPMENTS



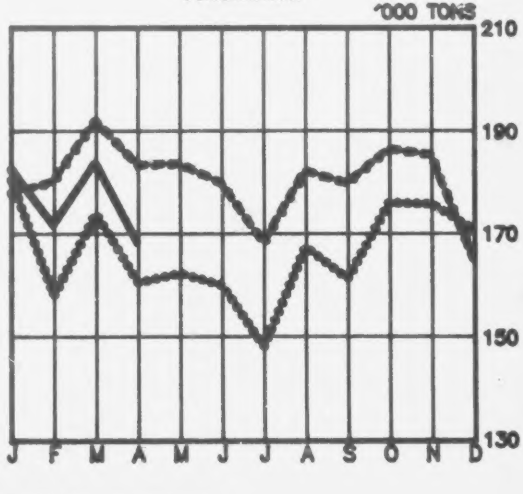
UNBLEACHED KRAFT PACKAGING AND INDUSTRIAL CONVERTING PAPER

SHIPMENTS



OTHER PAPER

PRODUCTION



1987 •••••••• 1988 ▬ ▬ ▬ 1989 ▬▬▬▬

WOOD PULP STATISTICS
(Thousands of Tons)

	YEAR		DECEMBER	JANUARY	FEBRUARY	MARCH	Annual Rate Y-T-D	% Change from same Period
	1987	1988	1988	1989	1989	1989	1989	Last Year
TOTAL WOOD PULP			A	A	R	P		
Total Wood Pulp - Production	59,552	61,161	5,282	5,466	4,821	5,306	62,374	1.1
- Imports	4,850	5,038 A	414	432	395	466	5,172	3.4
- Exports	4,889	5,528	573	457	507	623	6,347	19.7
- New Supply	59,513	60,671	5,123	5,442	4,709	5,149	61,198	-0.3
Dissolving Pulp - Production	1,312	1,367	127	127	102	142	1,484	14.5
- Imports	198	248	25	19	22	37	313	17.7
- Exports	752	865	89	55	69	86	840	12.7
- New Supply	757	751	64	91	56	93	957	17.3
Paper Grades - Production	48,293	49,493	4,303	4,423	3,935	4,281	50,555	0.9
Chemical Pulp - Imports	4,456	4,419 A	364	392	348	406	4,585	3.6
- Exports	4,111	4,612	478	394	432	530	5,423	20.5
- New Supply	48,637	49,300	4,189	4,421	3,851	4,158	49,718	-0.6
Groundwood, and - Production	5,702	5,943	484	520	438	502	5,837	-1.8
Thermo-Mech. - Imports	197	371 A	24	22	24	23	273	-12.8
- Exports	26	51	6	9	6	7	85	51.8
- New Supply	5,872	6,263	503	533	456	517	6,025	-2.8
Semi-Chemical - Production	4,246	4,358	367	397	346	382	4,498	3.7
- Imports								
- Exports								
- New Supply	4,246	4,358	367	397	346	382	4,498	3.7
MARKET WOOD PULP								
Total Market - Production	8,114	8,565	773	777	687	770	8,935	3.7
Wood Pulp - Imports	3,235	3,471	298	280	253	304	3,350	-2.2
- Exports	4,820	5,071	510	401	407	541	5,394	7.1
- New Supply	6,529	6,966	560	656	534	533	6,890	-1.6
Dissolving Pulp - Production	1,308	1,365	127	127	102	141	1,477	14.1
- Imports	154	206	22	7	17	29	213	-5.3
- Exports	775	798	88	55	64	92	845	13.0
- New Supply	687	774	61	79	54	78	845	9.6
Paper Grades - Production	6,806	7,200	646	650	586	629	7,457	1.8
Chemical Pulp - Imports	2,975	3,126	273	269	234	269	3,088	2.7
- Exports	4,045	4,273	422	346	343	449	4,549	6.1
- New Supply	5,736	6,052	497	573	476	449	5,996	-0.8
Groundwood Pulp - Production	0	0	0	0	0	0	0	0.0
and All Other - Imports RS	106	139	2	4	3	6	50	-74.3
- Exports	0	0	0	0	0	0	0	0.0
- New Supply	106	139	2	4	3	6	50	-74.3

SOURCES: Total Wood Pulp Production & Market Wood Pulp Production, Imports & Exports - Pulp Division, Pulp, Materials and Technology Group, API. Total Wood Pulp Imports & Exports - Department of Commerce.

NOTE: A - API shifted Import data from January 1989 to December 1988 to compensate for misallocation of reported data.

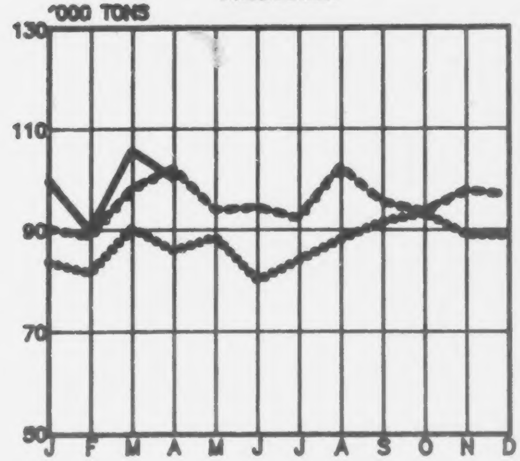
FIBROUS RAW MATERIALS
(Thousands of tons)

	YEAR		DECEMBER	JANUARY	FEBRUARY	MARCH	Annual Rate Y-T-D	% Change from same Period
	1987	1988	1988	1989	1989	1989	1989	Last Year
CONSUMPTION AT PAPER & PAPERBOARD MILLS					R	P		
Total	77,468	79,707	6,733	6,952	6,286	6,882	80,482	0.2
Total Wood Pulp	59,474	60,847	5,208	5,370	4,783	5,270	61,690	0.5
Waste Paper	17,993	18,860	1,526	1,582	1,504	1,613	18,792	-1.0
INVENTORIES								
Chemical Paper Grade Market Pulp								
Producers' Own-Use Inventories	170	169	172	178	178	179	179	6.0
Producers' Market Inventories	224	237	261	344	354	277	277	16.8
Consumers' Purchased Inventories #	529	532	622	596	608	624	624	17.2
Waste Paper at Paper & Bd. Mills	902	907	1,068	1,050	1,016	1,044	1,044	15.2
Days of Supply at Pulp Mills of Chemical Paper Grade Mkt Pulp	12	12	14	18	18	13	13	8.3

SOURCES: Wood Pulp Data, Pulp Division, Pulp, Materials and Technology Group, API. Waste Paper Data, Paper Recycling Committee, API. # Includes all grades of wood pulp.
P - Preliminary; R - Revised; (0) - Indicates zero to five-hundred short tons RS - 1988 Revised Series

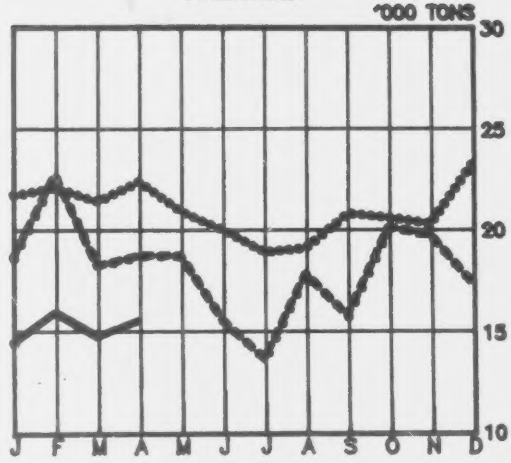
BLEACHED BRISTOLS

PRODUCTION



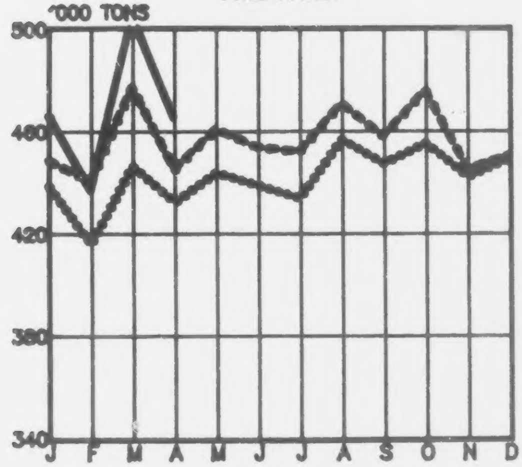
THIN PAPER

PRODUCTION



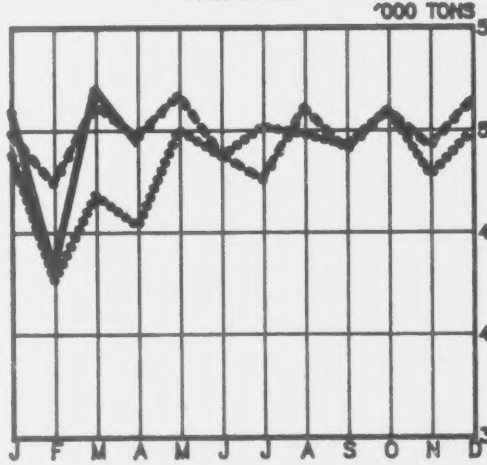
TISSUE PAPER

PRODUCTION



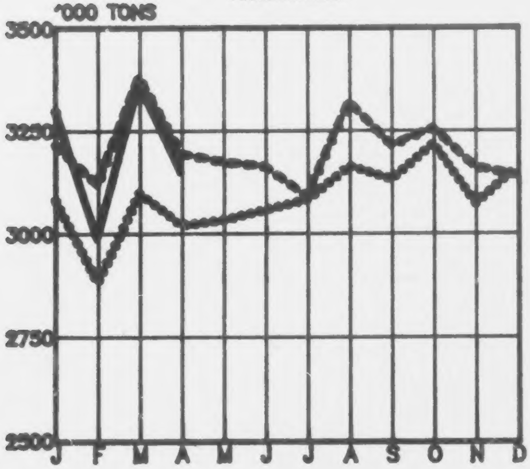
NEWSPRINT

PRODUCTION



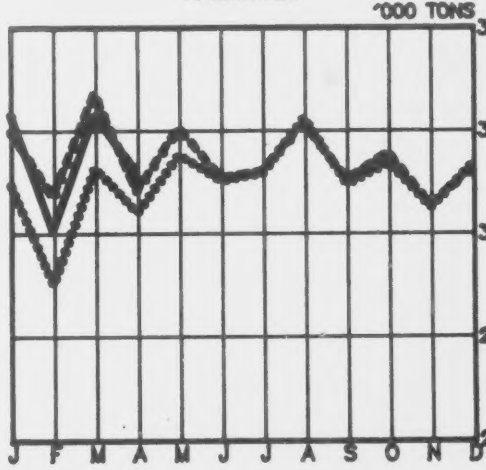
TOTAL PAPER

PRODUCTION



TOTAL PAPERBOARD

PRODUCTION



1987 ········· 1988 ═════ 1989 ━━━━━

FIBROUS RAW MATERIALS

(Thousands of Standard (128 cubic foot) Cords)

		YEAR 1987	YEAR 1988	DECEMBER 1988	JANUARY 1988	FEBRUARY 1989	MARCH 1989	Annual Rate Y-T-D 1989	% Change From Same Period Last Year
PULPWOOD									
Total U.S.	- Total Receipts	94,312	95,537	8,370	8,440	7,748	8,035	96,892	0.9
	- Total Consumpt	93,946	95,497	8,198	8,358	7,837	8,169	97,456	0.6
	- Residues *	32,899	33,186	2,812	2,894	2,746	2,776	33,664	1.8
	- Inventories	5,096	4,888	4,888	4,861	4,701	4,490	4,490	-9.1
So. Atlantic	- Total Receipts	31,147	31,582	2,786	2,765	2,542	2,558	31,460	-0.7
	- Total Consumpt	30,915	31,567	2,716	2,763	2,623	2,660	32,184	1.6
	- Residues *	9,553	9,897	885	860	874	768	10,008	-1.9
	- Inventories	1,211	1,200	1,200	1,194	1,115	1,020	1,020	-11.7
Northeast	- Total Receipts	6,941	7,187	689	698	656	628	7,928	8.1
	- Total Consumpt	7,109	7,216	600	624	586	624	7,336	-2.0
	- Residues *	1,543	1,664	151	133	168	150	1,804	11.4
	- Inventories	594	572	572	597	685	667	667	1.5
South Central	- Total Receipts	33,650	33,751	3,004	2,897	2,628	2,989	34,056	1.2
	- Total Consumpt	33,059	33,646	3,031	2,920	2,743	3,032	34,780	1.8
	- Residues *	9,992	9,890	841	879	737	898	10,056	1.9
	- Inventories	1,294	1,160	1,160	1,133	953	974	974	-9.0
North Central	- Total Receipts	6,552	6,865	608	690	631	543	7,456	-3.4
	- Total Consumpt	6,764	6,929	558	601	561	576	6,952	-3.7
	- Residues *	1,263	1,334	102	114	119	136	1,476	-0.8
	- Inventories	830	839	839	932	979	870	870	-13.2
West	- Total Receipts	16,022	16,152	1,283	1,390	1,291	1,317	15,992	2.
	- Total Consumpt	16,099	16,139	1,293	1,450	1,324	1,277	16,204	-0.9
	- Residues *	10,348	10,401	833	908	848	824	10,320	4.
	- Inventories	1,167	1,117	1,117	1,005	969	959	959	-9.

* - Consumption of Residues in Cord Equivalents. SOURCE: American Pulpwood Association 23-May-89

UNITED STATES TRADE WITH CANADA

IMPORTS FROM CANADA

	YEAR 1988 Tons	YEAR 1988 ($000's)	FEBRUARY 1989 Tons	FEBRUARY 1989 ($000)	MARCH 1989 Tons	MARCH 1989 ($000)	Annual Rate Y-T-D 1989 Tons	% Change From same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	39,337	4,195	18,515	906	13,128	309	201,632	623.7
Pulpwood chips	876,038	35,184	93,527	3,691	102,766	3,909	1,107,622	23.7
Wood Pulp, Total	A 4,340,245	2,282,329	369,269	218,489	407,201	242,085	4,651,524	7.
Waste Fibrous Materials, Total	227,004	48,450	13,440	2,600	15,733	3,705	200,460	-21.
Paper, Board & Products, Total	A 10,497,105	5,715,612	839,908	462,219	936,589	522,760	10,786,306	-0.
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	A 10,348,278	5,458,084	820,473	439,658	922,024	495,568	10,579,301	-1.
Paper, Paperboard & Products	A 10,283,277	5,649,813	819,398	457,980	922,980	519,243	10,559,046	-1.
Paper & Paperboard, Only	A 10,134,369	5,392,286	799,883	435,419	908,415	492,051	10,352,041	-1.
Paper, Total	A 9,869,253	5,295,796	771,029	423,826	879,871	480,558	9,979,384	-2.
Newsprint	A 8,284,709	4,320,023	619,120	322,745	707,386	364,622	7,850,264	-9.
Printing, Writing & Rel. Pap.	A 1,304,003	807,306	130,002	85,194	148,543	99,033	1,802,657	41.
Pack. & Ind. Conv. Paper	227,493	120,765	15,038	8,033	16,928	9,528	228,959	-8.
Special Industrial Paper	4,767	9,106	2,266	3,855	2,360	3,067	37,222	667.
Tissue Paper	48,201	38,596	4,522	3,999	4,655	4,309	60,281	17.
Paperboard, Total	265,116	96,490	28,854	11,593	28,544	11,493	372,657	39.
Convtd Paper&Paperbd Products	148,908	257,528	19,515	22,561	14,565	27,192	207,005	35.
Wet Machine Board	2,939	2,120	11	8	0	0	92	-97.
Construction Paper & Board	210,970	63,679	20,579	4,231	13,609	3,517	227,168	23.

NOTE: A - API shifted Import data from January 1989 to December 1988 to compensate for misallocation of reported data.

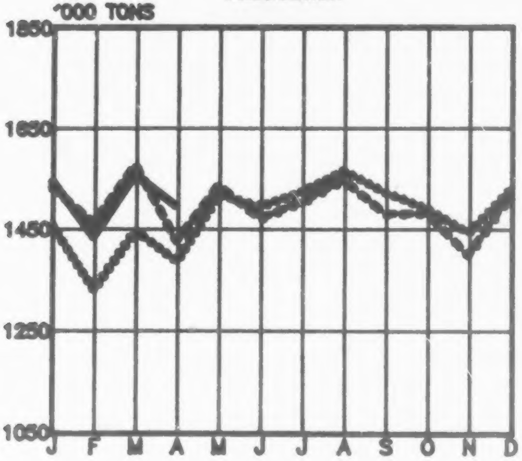
EXPORTS TO CANADA

	YEAR 1988 Tons	YEAR 1988 ($000's)	FEBRUARY 1989 Tons	FEBRUARY 1989 ($000)	MARCH 1989 Tons	MARCH 1989 ($000)	Annual Rate Y-T-D 1989 Tons	% Change From same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	14,100	836	0	0	0	0	100	-98.
Pulpwood chips	33,040	1,739	1,249	57	2,603	104	19,330	-48.
Wood Pulp, Total	280,074	101,214	21,021	6,733	37,611	15,674	298,992	25.
Cotton Pulp & Other Pulp	84,891	24,062	692	419	611	384	7,879	-91.
Waste Paper	331,999	38,199	28,426	3,752	34,064	4,035	315,858	12.
Paper, Board & Products, Total	1,050,117	715,960	69,694	52,250	89,690	69,068	840,631	-21.
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	773,973	464,416	44,916	33,247	64,242	46,289	572,927	-30.
Paper, Paperboard & Products	1,013,157	699,127	68,356	51,636	87,616	68,256	823,404	-21.
Paper & Paperboard, Only	737,013	447,583	43,577	32,634	62,168	45,477	555,701	-29.
Paper, Total	340,156	293,175	23,647	22,288	32,412	31,781	298,286	-20.
Newsprint	5,806	5,304	363	293	379	321	5,137	56.
Printing, Writing & Rel. Pap.	166,667	160,007	13,282	12,309	20,570	19,726	183,828	4.
Pack. & Ind. Conv. Paper	41,718	29,572	2,657	1,554	5,159	2,569	40,050	-3.
Special Industrial Paper	118,806	90,276	6,976	7,550	5,797	8,350	64,308	-57.
Tissue Paper	7,160	8,016	369	583	507	814	4,962	-6.
Paperboard, Total	396,857	154,408	19,930	10,345	29,757	13,696	257,415	-37.
Convtd Paper&Paperbd Products	276,145	251,544	24,779	19,003	25,447	22,779	267,704	5.
Wet Machine Board	6,527	2,590	183	78	360	134	2,194	-70.
Construction Paper & Board	30,433	14,243	1,156	536	1,713	677	15,032	-44.

SOURCE: Bureau of Census, Department of Commerce . E - Estimate of tonnage based on square foot data 23-May-

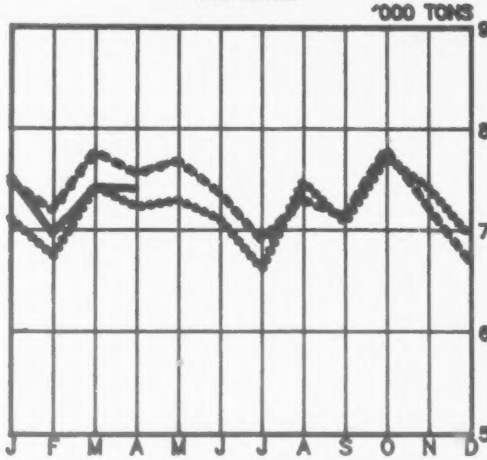
UNBLEACHED KRAFT LINERBOARD

PRODUCTION



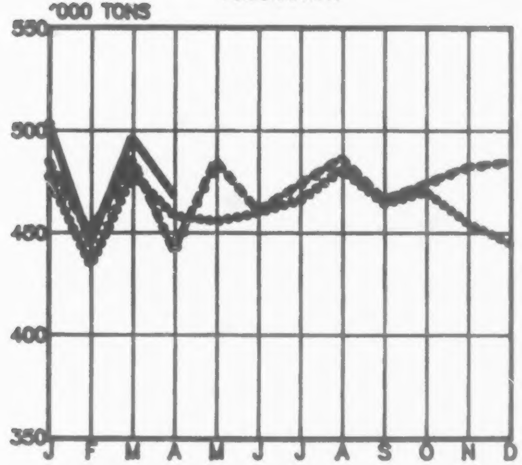
RECYCLED PAPERBOARD

PRODUCTION



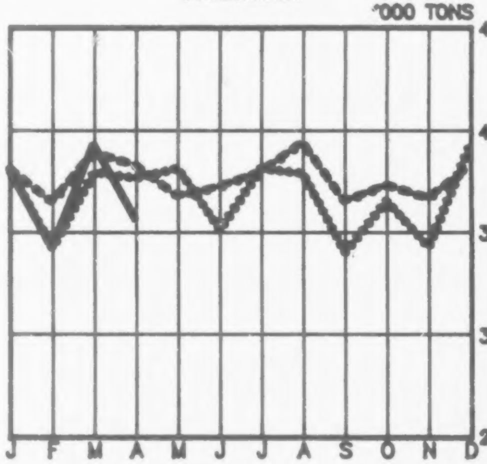
SEMICHEMICAL PAPERBOARD

PRODUCTION



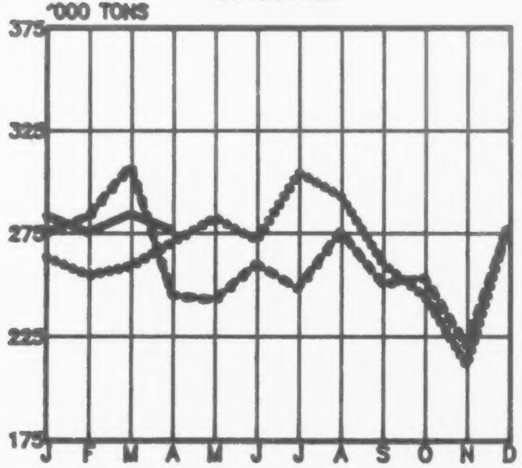
SOLID BLEACHED PAPERBOARD

PRODUCTION



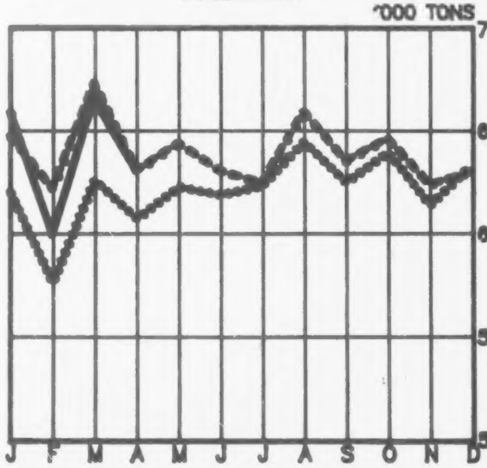
PAPERBOARD FOR EXPORT

PRODUCTION



TOTAL PAPER AND PAPERBOARD

PRODUCTION



1987 •••••••• 1988 ━━━━━ 1989 ━━━━━

IMPORTS

	YEAR 1988 Tons	YEAR 1988 $000	1989 FEBRUARY Tons	1989 FEBRUARY $000	1989 MARCH Tons	1989 MARCH $000	(1) Annual Rate YTD 1989 Tons	% Chan from sa Perio Last Ye
* * * *	* *	*	*	* *	*	*		
Pulpwood Roundwood (cords)	39,515	4,200	18,515	506	13,128	309	201,632	62
Pulpwood Chips	888,636	35,553	94,393	3,719	103,363	3,922	1,118,217	2
Total All Imports A	18,402,259	10,725,164	1,434,223	880,338	1,632,309	1,012,825	18,446,612	
Wood Pulp Total A	5,038,158	2,663,424	394,512	233,775	466,027	278,786	5,171,661	
Waste Paper	161,367	27,361	13,752	2,547	17,852	3,919	220,394	1
Other Fibrous Materials	92,505	32,331	661	499	2,302	2,023	16,006	-8
Paper Board & Products Total A	13,110,229	8,002,047	1,025,297	643,517	1,146,128	728,097	13,038,551	-
Paper Paperboard Wet Machine Bd. & Construction Paper & Board A	12,679,974	6,989,006	968,096	564,222	1,097,163	634,606	12,428,364	-
Paper Ppbd & Prds ex Cnst&WMB A	12,787,784	7,893,637	1,001,341	638,101	1,128,026	723,341	12,767,472	-
Paper & Paperboard Only A	12,357,530	6,880,596	944,140	558,806	1,079,061	629,850	12,157,286	-
Paper Total A	12,016,519	6,749,882	910,590	540,846	1,043,617	612,572	11,725,106	-
Newsprint A	8,801,503	4,569,853	626,756	327,095	741,916	379,335	8,083,965	-
Printing & Writing A	2,812,259	1,899,745	242,073	174,130	264,365	194,574	3,113,175	1
Uncoated Groundwood	1,362,642	792,881	124,712	74,105	132,755	81,129	1,609,129	1
Coated Print.& Impreg. Pap. A	797,765	641,466	53,804	45,158	57,922	48,353	682,328	-
Uncoated Free Sheet A	591,830	414,326	52,456	42,294	58,854	48,136	654,662	1
Uncoated Book A	258,146	175,746	N.L.R.	N.L.R.	N.L.R.	N.L.R.	N.L.R.	N.L
Writing and Similar Paper A	333,683	238,580	52,456	42,294	58,854	48,136	654,662	9
Thin (except Cigarette)	55,774	48,804	6,492	7,243	9,777	11,003	103,498	8
Bristols	4,247	2,269	4,609	5,329	5,058	5,954	63,558	615
Total Pkg & Other Paper	343,196	231,796	32,216	31,155	28,171	30,270	411,940	2
Unbleached Kraft Paper	161,708	76,116	19,150	9,097	16,975	8,335	252,008	4
Other Pkg. & Indust. Paper	181,488	155,680	13,065	22,058	11,199	21,935	159,932	-
Tissue	59,561	48,498	9,545	8,466	9,162	8,393	116,026	6
Paperboard, Total	341,011	130,714	33,550	17,361	35,444	17,278	432,180	2
Test or Containerboard	85,682	36,145	4,491	2,166	5,883	2,183	73,066	-
Semi-Chemical Corrugating	142,490	43,596	9,945	3,037	10,480	3,322	120,221	-1
Other Paperboard	112,839	50,972	19,114	12,758	19,082	11,773	238,893	1
Convtd Paper&Paperbd Products	430,255	1,013,041	57,202	79,295	48,965	93,491	610,186	5
Paper Products, Total	393,089	944,974	48,585	66,516	38,809	76,364	498,892	5
Paperboard Products, Total	37,166	68,067	8,617	12,779	10,157	17,128	111,294	23
Wet machine Board	4,239	3,780	13	11	44	53	322	-9
Construction Paper & Board	318,206	104,630	23,943	5,405	18,058	4,704	270,757	
Notes								
Other: No Weight Avail. ($000)		177,686		10,067		11,363	110,455	-1
Total Imports Incl. Other($000)		10,902,850		890,405		1,024,188	11,385,863	

NOTE: A - API shifted Import data from January 1989 to December 1988 to compensate for misallocation of reported data.

EXPORTS

	YEAR 1988 Tons	YEAR 1988 $000	1989 FEBRUARY Tons	1989 FEBRUARY $000	1989 MARCH Tons	1989 MARCH $000	(1) Annual Rate YTD 1989 Tons	% Chan from sa Perio Last Ye
Pulpwood, Roundwood (cords)	15,470	894	94	18	3,548	44	(1) 66,204	59
Pulpwood Chips	3,503,100	286,191	290,349	18,576	407,795	30,096	4,031,658	
Total All Exports	17,061,208	7,467,363	1,553,660	667,982	1,760,147	837,729	18,673,001	1
Wood Pulp,Total	5,528,292	2,914,521	506,690	262,182	622,808	346,789	6,347,092	
Cotton Pulp and Other Pulp	201,567	111,923	7,231	5,298	14,387	11,887	119,036	-
Waste and Old Paper	5,640,118	688,258	513,648	61,534	513,536	61,774	5,896,979	
Paper, Board & Products,Total	5,691,231	3,752,661	526,091	338,968	609,415	417,278	6,309,894	
Paper,Paperboard,Wet Machine Bd. & Construction Paper & Board	4,876,563	2,701,405	437,431	240,083	514,846	302,610	5,302,226	
Paper, Ppbd & Prod ex Cnst&WMB	5,559,356	3,683,601	523,525	337,903	606,268	415,952	6,273,349	
Paper & Paperboard, Only	4,744,688	2,632,346	434,864	239,018	511,699	301,283	5,265,681	
Paper, Total	1,102,490	988,031	118,505	96,932	142,253	130,093	1,429,336	
Newsprint	427,296	295,474	56,616	34,981	60,792	36,727	663,651	10
Printing & Writing	287,208	313,047	31,190	30,021	49,335	45,045	421,245	
Uncoated Groundwood	70,286	58,639	6,238	4,733	10,006	7,315	86,076	
Clay Coated Paper	97,464	79,731	8,552	7,930	17,865	12,310	135,464	
Uncoated Free Sheet	82,660	124,049	6,549	7,076	8,650	11,883	77,911	
Other Printing & Writing	36,799	50,629	9,852	10,281	12,815	13,537	121,794	30
Total Pkg. & Other Paper	346,718	342,117	29,454	30,033	30,194	45,326	325,332	-
Unbleached Kraft	110,075	54,975	9,185	4,353	10,847	5,383	118,217	
Other Pkg. & Indust. Paper	236,643	287,142	20,269	25,680	19,347	39,942	207,115	-
Tissue	41,268	37,393	1,244	1,897	1,933	2,995	19,108	-
Paperboard, Total	3,642,198	1,644,314	316,360	142,086	369,446	171,191	3,836,345	
Solid Wood Pulp	3,359,078	1,511,057	300,378	132,244	350,933	162,818	3,649,690	
Total Linerboard	2,281,362	887,846	231,521	88,238	250,118	94,933	2,655,729	
Bleached Kraft Linerboard	140,801	73,728	35,866	15,315	19,031	9,494	309,554	
Unbleached Kraft Linerbd	2,140,562	814,119	195,655	72,924	231,087	85,439	2,346,174	
Other Unbleached Kraft	292,437	102,638	17,607	8,647	19,551	9,688	222,138	-
Other Bleached Kraft	742,918	502,513	49,126	34,460	80,434	57,848	746,641	
Semi-Chemical Corrugating	42,360	18,060	2,124	899	830	348	25,182	-
Recycled Paperboard	283,121	133,257	15,982	9,842	18,513	8,373	186,654	-
Convtd Paper&Paperbd Products	814,668	1,051,256	88,660	98,885	94,569	114,668	1,007,668	
Paper Products, Total	367,548	682,281	39,986	63,101	46,315	74,248	462,040	
Paperboard Products, Total	447,121	368,975	48,675	35,784	48,254	40,420	545,628	
Wet Machine Board	11,691	4,915	271	111	422	157	3,270	-
Construction Paper & Board E	120,184	64,145	2,295	954	2,726	1,169	33,275	-
Notes								
Other: No Weight Avail. ($000)		9,170		1,422		1,459	13,906	
Total Exports Incl. Other($000)		7,476,533		669,404		839,188	8,430,994	

SOURCE: Bureau of Census, U.S. Department of Commerce. E - Incl. estim. of tonnage based on square foot data.

(1) Annual Rate Year-To-Date is in tons unless otherwise specified in item description. N.L.R. - No longer reported.

PRODUCER PRICE INDEXES
1982 = 100

	1987	1988	JANUARY 1989	FEBRUARY 1989	MARCH 1989	APRIL 1989	Annual Rate Y-T-D 1989	% Chan from sa Perio Last Ye
Pulp, Paper and Products except Building Grades	114.3	124.8	129.3	131.1	132.0	132.7	131.3	8
Pulp Paper & Products, ex. Building Grades & ex Waste Paper *	113.2	123.8	128.9	130.7	131.6	132.3	130.8	9
Total Wood Pulp	111.5	136.7	149.1	151.5	153.4	155.7	152.4	19
Total Paper	111.5	123.2	128.7	130.2	130.7	131.3	130.2	9
Total Paper, exc. Newsprint	110.6	123.4	129.5	130.7	131.4	132.1	130.9	10
Newsprint	112.3	127.6	126.1	128.8	128.3	128.2	127.9	0
Total Paperboard	118.1	133.2	137.8	138.7	141.6	143.8	140.5	8
Total Paper and Paperboard *	113.6	126.4	131.6	132.9	134.1	135.2	133.4	[illegible]
Converted Products	114.7	123.0	127.6	129.8	130.3	130.5	129.6	8
Waste Paper	181.4	183.6	155.3	156.8	158.2	159.1	157.4	-1
All Commodities	102.8	106.9	110.3	110.8	111.5	112.3	111.2	5
Industrial Commodities	102.6	106.3	109.4	110.0	110.6	111.7	110.4	5

SOURCE: Producer Price Indexes: Bureau of Labor Statistics, U.S. Department of Labor * Computed by API

PAPER PRODUCTION WORKER HOURLY COMPENSATION
(measured in U.S. dollars)

	1980	1985	1986	1987
United States	$10.65	$14.95	$15.42	$15.77
Brazil	1.48	1.41	N.A.	N.A.
Canada	10.53	14.05	14.49	15.70
France	9.91	7.88	11.02	13.30
Germany	11.41	8.70	12.20	15.59
Italy	8.95	7.96	10.67	13.17
Japan	5.87	6.99	9.97	11.93
Korea	1.23	1.45	1.58	1.93
Spain	6.90	5.28	7.01	8.55
Sweden	13.90	10.96	14.28	17.36
Taiwan	1.17	1.70	1.91	2.44
United Kingdom	7.76	6.71	8.15	9.75

N.A. = Not Available

Source: Bureau of Labor Statistics

MARKET WOOD PULP

U.S. production of chemical paper grade market pulp averaged 100% of capacity during the first four months of 1989, versus 98% of capacity during January-April of 1988. On a monthly basis, operating rates for domestic chemical paper grade market pulp capacity hovered in the 102-103% range during January and February of this year, but then eased slightly to 98% in March and 100% in April.

Other major producing countries have also been recording high operating rates for chemical paper grade market pulp this year. Overall, North American and Nordic producers of chemical paper grade market pulp utilized 99% of their combined capacity during the first four months of 1989, which was on par with utilization rates recorded during January-April of 1988.

U.S. shipments of chemical paper grade market pulp exceeded their year-ago volume by 3% during the first four months of 1989. However, shipments to the domestic market were off 3%, while exports advanced 6.5%. U.S. exports to Japan exceeded their year-ago volume by a vigorous 39% during the first four months of 1988, while shipments from the U.S. to Europe pulled ahead by 3%. U.S. exports to other markets were off 6%.

Total shipments of chemical paper grade market pulp from North American and Nordic producers matched their year-ago volume during the first fourth months of 1989. Shipments from these major producing regions to U.S. mills were off 1%.

Inventories of chemical paper grade market pulp held by U.S. producers edged up from 13 days of supply at the end of March to 14 days of supply at the end of April. These inventories previously escalated from 14 days of supply at the end of 1988 to 18 days of supply in January and February of 1989 before moderating again.

Combined North American and Nordic chemical paper grade market pulp inventories held steady at 15 days of supply from April to May. They previously rose from 13 days of supply at the end of 1988 to 17 days of supply in January and February, respectively.

Purchased pulp inventories held by domestic consuming mills have been trending upward since the end of 1987, when they amounted to 32 days of supply. They reached 37 days of supply at the end of 1988 and 39 days by the end of March 1989.

Continued on page 12

COMPENSATION TRENDS FOR U.S. AND FOREIGN PAPER WORKERS

The U.S. Bureau of Labor Statistics collects annual data regarding hourly compensation earned by paper workers in several key paper producing nations of the world. The most recent data that have been compiled by the BLS pertain to 1987.

For U.S. paper industry production workers, the data indicate that hourly compensation rose 48% between 1980 and 1987 to $15.77 an hour. The consumer price index (CPI) advanced 38% during that same seven year period, suggesting that inflation-adjusted compensation rose by about 7%.

The Canadian and Swedish paper industries compete with U.S. producers on several fronts. Canada is a major exporter of newsprint and market pulp and has also been expanding its share of the U.S. printing-writing paper market. Average hourly compensation paid by the Canadian paper industry increased 69% between 1980 and 1987 to C$20.81 an hour. Translated into U.S. currency, Canadian paper workers were paid $15.70 an hour in 1987, about on par with U.S. paper workers. (See table on page 10.)

The Swedish paper industry competes with U.S. exports of market pulp and linerboard to Europe and other parts of the world. Measured in krona, hourly compensation paid to Swedish pulp and paper workers increased 87% between 1980 and 1987 to 110.2 kroner per hour. Translated into U.S. dollars, hourly compensation of Swedish paper workers increased by only 25% between 1980 and 1987 to $17.36 an hour, or 110% of the comparable U.S. figure.

The U.S. dollar value of Swedish paper worker compensation was significantly influenced by exchange rate volatility during the period. The dollar's foreign exchange rate more than doubled relative to the krona between 1980 and 1985 and then dropped by 26% during the 1986 and 1987. During the 1983-85 period, when the dollar was at or near its peak relative to the krona, hourly compensation of Swedish paper workers was about 73% that of U.S. paper workers. In 1986 it rose to 93% of the U.S. level and in 1987 it reached 110% of the U.S. level.

Japan is a major importer of U.S. market pulp and linerboard. Measured in dollars, hourly compensation of Japanese paper workers amounted to only 47% of the U.S. level in 1985, but declines in the dollar/yen exchange rate subsequently lifted it to 65% of the U.S. level in 1986 and 76% in 1987.

A 2500-2

INDUSTRY FACT SHEET

May 26, 1989

AMERICAN PAPER INSTITUTE, INC.
260 Madison Avenue
New York, New York 10016

PRODUCTION (000 TONS)

*	(P) APRIL 1989	* MARCH 1989	* APRIL 1988	* FIRST 4 MONTHS 1989	1988	* % CHAN YR TO D 1989/19
PAPER GRADES						
Newsprint	495	516	497	1,963	1,985	-1
Printing & Writing	1,801	1,893	1,809	7,259	7,331	-1
Uncoated Groundwood (s)	145	148	127	572	523	9
Coated Paper (s)	574	608	608	2,364	2,489	-5
Uncoated Free Sheet Paper (s)	954	1,002	941	3,815	3,807	0
Thin Paper (s)	15	15	19	60	78	-22
Cotton Fiber Paper (s)	13	15	13	53	55	-3
Bleached Bristols (s)	100	106	102	395	379	4
Tissue Paper	465	505	445	1,872	1,811	3
Total Pkg & Other Paper	386	448	441	1,697	1,778	-4
Unbl. Kraft Paper (s)	219	265	258	992	1,046	-5
Other Paper	168	184	183	705	733	-
TOTAL PAPER	3,147	3,363	3,192	12,792	12,904	-0
PAPERBOARD GRADES						
Unbleached Kraft Paperboard	1,586	1,656	1,523	6,417	6,403	
Unbleached Kraft Linerboard	1,491	1,554	1,422	6,015	5,983	
Other Unbl. Kraft Paperboard	96	102	100	402	420	-
Semichemical Paperboard	468	496	440	1,910	1,858	
Bleached Paperboard	356	392	382	1,469	1,515	-
Recycled Paperboard	739	740	754	2,923	2,992	-
TOTAL PAPERBOARD	3,148	3,285	3,099	12,718	12,768	-
TOTAL PAPER AND PAPERBOARD	6,295	6,648	6,291	25,510	25,673	-

WOOD PULP (ALL GRADES)	MARCH 1989	FEBRUARY 1989	MARCH 1988	FIRST 3 MONTHS 1989	1988	% Cha 89/
Dissolving & Special Alpha	142	102	103	371	324	1
Bleached Sulfite) Unbleached Sulfite)	130	117	134	385	387	-
Bleached & Semi-Bl. Sulfate	2,327	2,122	2,244	6,833	6,587	
Unbleached Sulfate	1,825	1,696	1,880	5,421	5,550	-
Semichemical	382	346	360	1,125	1,085	
Groundwood & Thermomechanical	502	438	499	1,459	1,486	-
TOTAL PULP DIVISION DATA	5,306	4,821	5,220	15,593	15,419	

(s) - Shipments
P - Preliminary

MAY 31, 1989

	Full Year		INDUSTRY DATA 1988 - 1989	R	P	Ann. Rate Year - To - Date
PAPER AND PAPERBOARD -- Tons (000)	1987	1988	February	March	April	1989
Total Production (API).......: excluding :...	74,430	76,520	5,986	6,648	6,295	76,530
Total Seasonally Adjusted....:construction:...			6,403	6,443	6,399	77,080
Imports (including Products).: and wet :...E	12,454	12,788	1,001	1,128	1,084	12,828
Exports (including Products).: machine :...E	5,197	5,559	524	606	518	6,259
Apparent Consumption.........: grades :...	81,687 a	83,748 b	6,881	6,965	6,965	83,099 c
Paper Production % Tonnage Capacity...........	94.0 g	95.4	95.0	96.3	93.7	95.1
Paperboard Production % Tonnage Capacity......	96.8 g	96.4	95.7	94.3	94.0	94.8
			January	February	March	
IMPORTS.....:Including Construction and :...	12,837	12,876	1,088	1,025	1,146	13,039
EXPORTS.....: WMB Grades (excl. HPB) :...	5,304	5,797	442	526	609	6,310
MARKET WOOD PULP PRODUCTION - Tons (000)........	8,114	8,565	777	687	770	8,935
TOTAL WOOD PULP PRODUCTION - Tons (000).........	59,552	61,161	5,466	4,821	5,306	62,374
WOOD PULP IMPORTS - TONS (000)..................	4,850	5,038	432	395	466	5,172
WOOD PULP EXPORTS - TONS (000)..................	4,889	5,528	457	507	623	6,347
RAW MATERIALS CONSUMPTION - Tons (000)						
..PAPER AND BOARD MILLS : excluding :			January	February	March	
Wood Pulp............:consumption for:.....	59,475	60,847	5,370	4,783	5,270	61,690
Waste Paper..........:construction & :.....	17,993	18,860	1,582	1,504	1,613	18,792
TOTAL..........: WMB grades :.....	77,468	79,707	6,952	6,287	6,882	80,482
PULPWOOD CONSUMPTION Cords(000)Amer.Pulpwd. Assn	93,946	95,497	8,358	7,837	8,169	97,456
EMPLOYMENT (000)			February	March	April	
Paper and Allied Products..........Total......	679.0	689.3	691.2	693.1	692.3	691.2
Pulp, Paper and Board Mills........Total.....E	244.9	245.5	244.5	244.8	244.4	244.3
AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS ($)			February	March	April	
Paper and Allied Products......................	11.42	11.64	11.80	11.84	11.82	11.81
Pulp, Paper Mills.........................E	14.00	14.29	14.49	14.56	14.56	14.51
Paperboard Mills..........................E	14.30	14.49	14.56	14.56	14.49	14.52
CAPITAL EXPENDITURES, PAPER & ALLIED PRODUCTS			1988 Q3	1988 Q4	1989 Q1	
(Rept. by US Dept. of Com., Ann. Rates, Bill.$)*	9.01	11.23	11.37	12.53	15.47	15.21 Y
INDEX OF OUTPUT PER MAN-HOUR (1977=100)..........			February	March	April	
:IN PULP, PAPER :...Production Workers..........	145.0	149.4	149.9	152.4	150.7	151.8
:AND BOARD MILLS:...All Employees..............	141.8	146.2	146.6	149.1	147.3	148.4
PAPER AND ALLIED PRODUCTS (Million $)			January	February	March	
Industry Shipments (Dept. of Commerce)*........	118,855	127,718	10,938	10,802	10,868	130,432
Pulp, Paper and Paperboard*..................	51,518	57,177	4,912	4,878	4,816	58,424
Inventories (End of Period) - Total Industry*..	11,284	12,065	12,093	11,941	11,872	11,872
Pulp, Paper and Paperboard*..................	4,266	4,325	4,478	4,473	4,547	4,547
			1988 Q2	1988 Q3	1988 Q4	
Sales (Corporations Only)......................	95,576	107,014 RS	27,227	27,344	26,939	107,014
Earnings (Corporations Only)...................	5,520	8,077 RS	2,195	2,227	1,911	8,077
Depreciation (Corporations Only)...............	4,279	4,620 RS	1,124	1,162	1,165	4,620
Net Worth (Corporations Only)..................	39,217	42,933 RS	41,621	43,015	42,933	42,933
PRICE INDEXES (Bureau of Labor Stats)1982=100			February	March	April	
Pulp, Paper & Products, ex. Building Grades....	114.3	124.7	131.1	132.0	132.7	131.3
Wood Pulp......................................	111.6	136.7	151.5	153.4	155.7	152.4
Waste Paper....................................	181.4	183.5	156.8	158.2	159.1	157.4
Paper..	111.5	123.2	130.2	130.7	131.3	130.2
Paperboard.....................................	118.1	133.2	138.7	141.6	143.8	140.5
PAPER DEMAND (INDEXED: 1977=100)			February	March	April	
Total Paper Production *.......................	133.8	138.6	136.2	141.7	137.1	138.7
Paper New Supply *.............................	140.6	144.6	138.7	146.5	142.4	143.1
Demand Indicators - (Weighted Average) *.....	154.5	163.7	171.6	172.7	172.4	171.8
Production of Nondurable Goods *...(21.2%).	136.8	143.9	148.1	148.3	148.9	148.5
Disposable Income ....*.(23.9%)	130.0	134.9	139.9	140.0	139.0	139.4
Total Printing and Publishing *...(54.9%).	172.0	183.8	194.5	196.4	196.0	195.0
Trend Factor	Not Available					
PAPERBOARD DEMAND (INDEXED: 1977=100)						
Total Paperboard Production *.................	129.2	131.6	135.1	131.4	134.0	133.5
Production for Domestic Use	126.1	129.0	132.1	127.8	130.8	130.1
Demand Indicators - (Weighted Average) *.....	125.9	132.5	136.3	135.8	136.6	136.[illegible]
Production of Consumer Goods *...(62.06%)	127.7	133.9	138.6	137.8	138.6	138.4
Production of Equipment *...(5.75%)	148.8	158.2	161.5	162.1	162.9	161.9
Production of Materials *...(32.19%)	118.3	125.3	127.4	127.4	128.2	127.8
Trend Factor	Not Available					
NEWSPRINT MARKETS			January	February	March	
Consumption by Publishers - Tons (000).........	13,583	13,598	1,063	1,028	1,166	13,029
Newspaper Pub. and Printing Empl. Total(000)...	471	475	478	477	475	477
PRINTING AND FINE PAPER MARKETS						
MAGAZINE ADVERTISING PAGES (PIB, Inc.)...........	164,771	167,901	10,857	13,977	15,409	160,973
WHOLESALERS SALES AND INVENTORIES (Million $)						
Total Paper & Pap. Prdcts.,ex Wallpaper..Sales	44,741	52,377	4,464	4,242	4,831	54,148
Inventories (End of Period).	3,850	4,436	4,728	4,562	4,506	4,506
FIBRE BOX DATA (Fibre Box Association)			February	March	April	
Fibre Box Shipments (Million square feet).......	297,827	308,507	24,184	26,755	26,367	311,550
Container'bd Inventory at Mill & Plant(000Tons).	2,486	2,553	2,612	2,569	2,593	2,593
RETAIL TRADE (Billion $)			February	March	April	
Total Retail Sales *..........................	1,511	1,612	139	139	140	1,676
Nondurable Goods Stores Sales *...............	950	998	86	87	87	1,040
GENERAL ECONOMIC DATA			February	March	April	
TOTAL INDUSTRIAL PRODUCTION (INDEX 1977 = 100)*..	129.8	137.2	140.4	140.5	141.1	140.7
PRODUCER PRICES(ALL COMMODITIES)(INDEX 1982=100).	102.8	106.9	110.8	111.5	112.3	111.2
CONSUMER PRICES (ALL ITEMS) (INDEX 1982-4=100)...	113.6	118.3	121.6	122.3	123.1	122.0
			January	February	March	
TOTAL CONSUMER CREDIT OUTSTANDING - (Billion $)..	618.2	671.4	684.7	682.3	683.7	683.7
GROSS NATIONAL PRODUCT - ANNUAL RATE (Billion$)..			1988 Q3	1988 Q4	1989 Q1	
G.N.P. or Expenditure - Current $..............	4,527	4,864	4,909	5,000	5,105	5,105
G.N.P. or Expenditure - 1982 $.................	3,847	3,996	4,009	4,033	4,077	4,077

lb/capita				
	Pap&Papbd	Othr	Totl	Popul(mil)
.a -	670 +	17 =	687	243.9
.b -	682 +	17 =	699	245.5
.c -	677 +	17 =	694	245.5

.E - Last month estimated by API

f - Wood Pulp Production excludes def., explo. & scrngs.
g - Adjusted for holiday shutdowns
h - First 3 quarters, annual rate
Q - Quarter

R - Revised
Y - Full year estim. by U.S. Dept. of Com.
RS - Revised Series
* - Seasonally Adjusted.

A2500-

Paper Paperboard & Wood Pulp

MONTHLY STATISTICAL SUMMARY - Vol. 67 No. 6 JUNE 1989

PAPER AND PAPERBOARD PRODUCTION: EASING

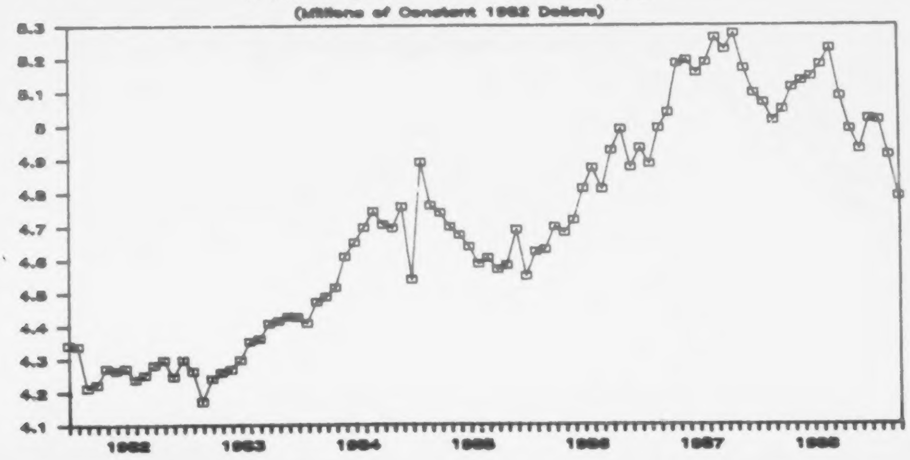
There is widespread evidence that the economy lost momentum during the first half of 1989. One indication of slower growth comes from industrial production, which trended up at an annual rate of 1.7% during the first five months of 1989, after advancing a vigorous 5.7% in 1988. Other evidence of slowing can be found in government statistics regarding new job creation, consumer spending and residential construction activity.

Paper and paperboard production held up fairly well amid these signs of a slowing economy. For instance, seasonally-adjusted production averaged 76,644,000 tons a year during the first five months of 1989, which was just about in line with full-year 1988 production of 76,557,000 tons. However, year-to-date production of paper and paperboard through May of 1989 was 0.9% lower than during the first five months of 1988. (See Table on Page 3.)

Paper: Total paper production lagged its year-ago volume by 1.5% during the first five months of 1989, after recording annual gains of 4.2% in 1987 and 3.9% in 1988. The loss of forward momentum appears to have resulted from inventory trimming and decelerating end-use market activity gains, consistent with a slowing U.S. economy.

Shipments of printing-writing papers were off 1.7% during the first five months of 1989, with two of the major grades -- groundwood and bleached bristols -- managing to post year-to-date gains. Year-to-date shipments of coated papers were off 5.9% through May, with lower volumes going to most major end-use markets, including commercial printers, magazines, and other periodical publishers.

PRINTERS' INVENTORIES
(Millions of Constant 1982 Dollars)



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Data compiled by the Department of Commerce adjusted for inflation by API's Economics Department suggest that printers' inventories have been trending irregularly downward since October 1989. These reductions were probably one of the factors that contributed to the recent weakness in coated paper shipments.

End-use markets for coated papers present a mixed picture. Magazine advertising page totals have been gaining ground since mid-1988 as third class mail volume, a proxy for direct mail advertising, posted seasonally-adjusted gains during the final quarter of 1988 and the first three months of this year, suggesting that the negative impact of last April's mail rate hike is beginning to fade. On the other hand, API's Newsprint Division estimates that the number of newspaper inserts, adjusted for seasonality, ebbed slightly in the first quarter of 1989, after posting small, but steady gains during the four quarters of 1988.

In response to weaker market conditions, imports of coated papers have begun to ease, following several years of consecutive annual gains. Imports of coated papers ran 5.7% below their year-ago volume during the first four months of 1988, with imports from Canada off 6%.

Year-to-date shipments of uncoated free sheet papers were down 0.5% through May of 1989, with a mixed pattern evident among the leading end uses. For instance, shipments of uncoated free sheet papers to commercial printers, envelope converters, and business form converts lagged this year, while shipments to the office reprographics sector were up considerably. Imports of uncoated free sheet through April have been running 9% above their year-ago level, with volume from Canada up more than 50%. New supply of uncoated free sheet paper (U.S. production plus imports less exports) was equal to its year-ago volume during the first five months of 1989.

In contrast to the declines registered by most of the other printing-writing paper grades, U.S. shipments of groundwood papers were 8.1% above their year-ago level during the first five months of 1989. However, the strength was more a reflection of reduced imports than of gains in end-use market activity. According to API's Printing-Writing Paper Division, groundwood imports were off 12% through April of 1988, which is quite significant in that imports accounted for 54% of U.S. groundwood requirements in 1988. Owing to the decline in imports, total new supply of groundwood papers was actually 3.3% below its year-ago level during the first five months of 1989.

U.S. newsprint production registered a year-to-date decline of 1.2% through May of 1989, while total North American shipments to this country were off 4.8%. Inventory drawdowns and weak newspaper advertising markets were among the factors responsible for the declines. Newspaper publishers trimmed their newsprint stocks from 49 days of supply at the end of December 1988 to 41 days at the end of May 1989.

Continued on Page 11

PAPER AND PAPERBOARD STATISTICS

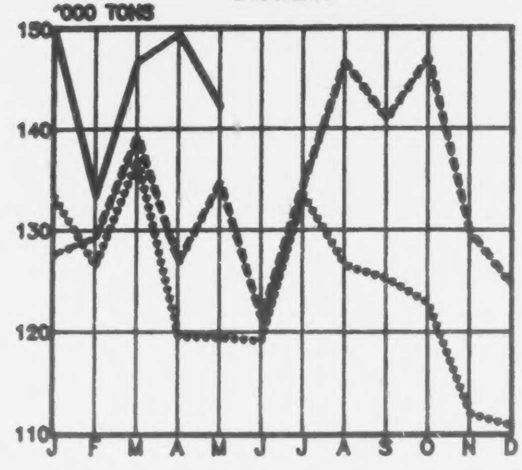
PRODUCTION, SHIPMENTS AND ORDERS
(Thousands of Short Tons)

	YEAR 1987	YEAR 1988	FEBRUARY 1989	MARCH 1989 (R)	APRIL 1989 (R)	MAY 1989 (P)	Annual Rate Y-T-D 1989	% Change From same Period Last Year
PAPER								
Newsprint - Production	5,842	5,982	445	516	495	504	5,922	-1.2
- Shipments	5,854	5,969	454	509	487	510	5,858	-1.1
Printing & Writing Sum	20,778	21,793	1,699	1,893	1,718	1,782	21,514	-1.7
Groundwood Paper - Shipments	1,498	1,624	133	147	149	142	1,730	8.1
- New Orders	1,542	1,654	127	163	134	146	1,706	5.8
-Unfilled Orders	166	210	180	204	182	189	189	4.4
Coated Papers - Shipments	6,860	7,359	550	604	544	577	6,978	-5.9
- New Orders	7,066	7,404	561	599	505	608	6,867	-7.5
- Unfilled Orders	708	721	696	701	647	676	676	-0.3
Unctd Free Sheet - Shipments	10,966	11,277	896	1,003	901	937	11,280	-0.5
- New Orders	11,173	11,314	884	1,015	866	863	10,943	-4.6
- Unfilled Orders	772	781	695	721	650	587	587	-24.2
Thin Papers - Shipments	240	217	16	18	18	17	199	-14.3
Cotton Fiber Paper - Shipments	163	167	13	15	14	14	168	-1.3
Bleached Bristols - Production	1,052	1,150	90	106	92	95	1,158	1.7
Tissue Paper - Production	5,301	5,476	437	503	451	474	5,592	2.6
Total Packaging & Other Paper	5,074	5,199	409	450	387	395	5,029	-4.8
Unbl. Kraft Paper - Shipments	3,081	3,038	235	264	218	229	2,924	-5.1
Other Paper - Production	1,993	2,162	173	186	169	167	2,104	-4.
TOTAL PAPER-Production-Unadj.	36,995	38,450	2,989	3,361	3,050	3,155	38,056	-1.5
-Production-S.A.			3,149	3,271	3,068	3,164	38,126	-1.
PAPERBOARD - PRODUCTION								
Solid Wood Pulp Furnish	28,862	29,318	2,302	2,549	2,412	2,530	29,589	0.
Total Unbl. Kraft Paperboard	18,898	19,140	1,521	1,653	1,589	1,681	19,441	0.
Unbl. Kraft Linerboard (1)	17,683	17,897	1,427	1,546	1,490	1,560	18,146	0.
Production for Export	2,303	2,296	217	202	217	191	2,478	3.
Other Unbl. Kraft Paperboard	1,215	1,244	94	108	99	121	1,295	3.
Semichemical Paperboard	5,540	5,666	440	503	468	468	5,708	1.
Production for Export	193	136	11	18	9	8	147	6.
Solid Bleached Paperboard	4,406	4,511	341	392	356	382	4,440	-1.
Production for Export	619	628	44	60	51	59	652	5.
Recycled Paperboard	8,601	8,789	694	740	739	735	8,778	-2.
Production for Export	75	72	3	3	4	3	39	-54.
TOTAL PAPERBOARD-Prod.-Unadj.	37,445	38,107	2,996	3,289	3,150	3,265	38,366	-0.
- Containerboard Prod.(Dom. Use)	23,025	23,563	1,826	2,030	1,922	2,033	23,599	-0.
- Boxboard Prod.(Dom. Use)	6,969	7,066	551	611	582	598	7,074	-0.
- All Other P'bd Prod.(D.U.)	4,262	4,344	344	366	366	373	4,377	-2.
- Total Paperbd Prod. for Export	3,190	3,132	274	283	281	261	3,316	2.
TOTAL PAPERBOARD PROD.- S.A.			3,254	3,175	3,236	3,166	38,518	0.
TOTAL PAPER AND PAPERBOARD Production - Unadj.	74,440	76,557	5,985	6,651	6,200	6,421	76,422	-0.
Production - S.A.			6,403	6,446	6,304	6,331	76,644	-0.

(1)Includes all exports of kraft paperboard. R - Revised P - Preliminary S.A. - Seasonally Adjusted

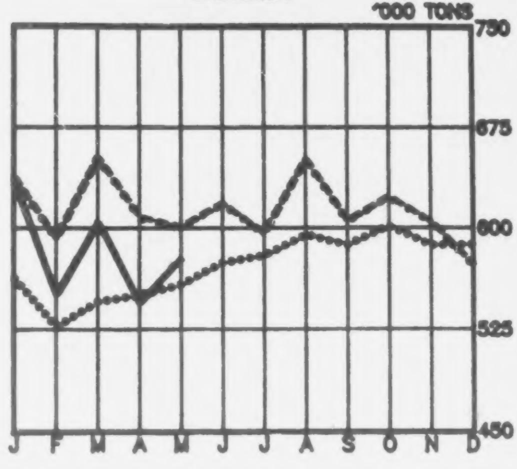
GROUNDWOOD PAPER, UNCOATED

SHIPMENTS



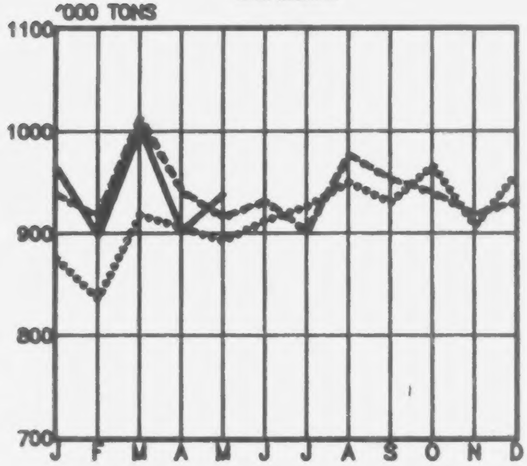
COATED PAPER

SHIPMENTS



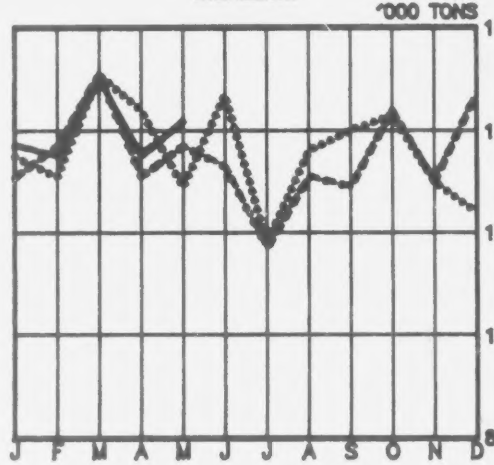
UNCOATED FREE SHEET PAPERS

SHIPMENTS



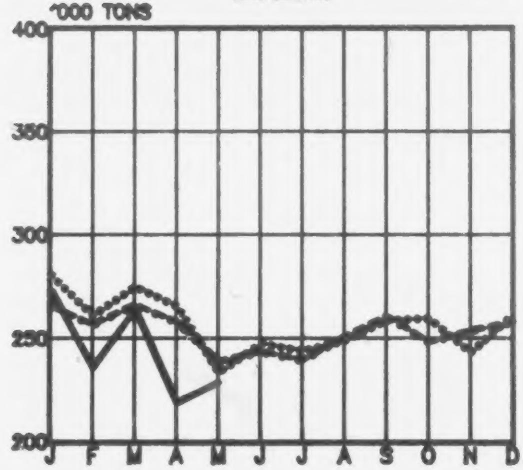
COTTON FIBER PAPER

SHIPMENTS



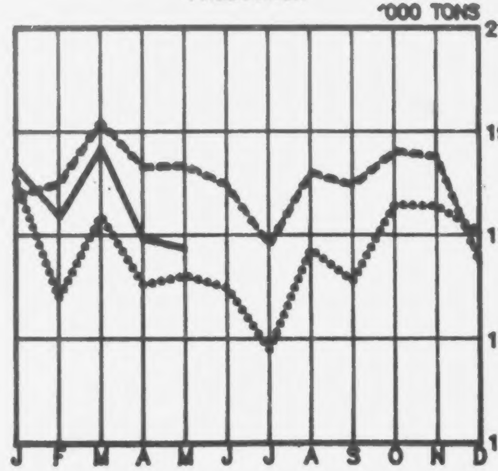
UNBLEACHED KRAFT PACKAGING AND INDUSTRIAL CONVERTING PAPER

SHIPMENTS



OTHER PAPER

PRODUCTION



1987 ········ 1988 ------ 1989 ——

WOOD PULP STATISTICS
(Thousands of Tons)

		YEAR 1987	1988	JANUARY 1989	FEBRUARY 1989	MARCH 1989	APRIL 1989	Annual Rate Y-T-D 1989	% Change from same Period Last Year
TOTAL WOOD PULP				A		R	P		
Total Wood Pulp	- Production	59,552	61,161	5,466	4,821	5,307	5,193	62,361	1.8
	- Imports	4,850	5,038 A	432	395	466	418	5,133	1.9
	- Exports	4,889	5,528	457	507	623	525	6,334	18.7
	- New Supply	59,513	60,671	5,442	4,709	5,150	5,086	61,160	0.3
Dissolving Pulp	- Production	1,312	1,367	127	102	142	106	1,431	11.3
	- Imports	198	248	19	22	37	24	308	17.1
	- Exports	752	865	55	69	86	68	833	3.7
	- New Supply	757	751	91	56	93	63	906	21.6
Paper Grades Chemical Pulp	- Production	48,293	49,493	4,423	3,935	4,286	4,209	50,558	1.8
	- Imports	4,456	4,419 A	392	348	406	363	4,528	2.2
	- Exports	4,111	4,612	394	432	530	451	5,419	21.2
	- New Supply	48,637	49,300	4,421	3,851	4,162	4,121	49,667	0.1
Groundwood and Thermo-Mech.	- Production	5,702	5,943	520	438	502	512	5,914	-1.2
	- Imports	197	371 A	22	24	23	31	298	-13.7
	- Exports	26	51	9	6	7	6	83	35.8
	- New Supply	5,872	6,263	533	456	517	537	6,129	-2.2
Semi-Chemical	- Production	4,246	4,358	397	346	378	366	4,458	3.3
	- Imports								
	- Exports								
	- New Supply	4,246	4,358	397	346	378	366	4,458	3.3
MARKET WOOD PULP									
Total Market Wood Pulp	- Production	8,114	8,565	777	687	772	717	8,858	4.1
	- Imports	3,235	3,471	280	253	304	268	3,318	-4.2
	- Exports	4,820	5,071	401	407	541	423	5,315	6.9
	- New Supply	6,529	6,966	656	534	534	562	6,861	-2.0
Dissolving Pulp	- Production	1,308	1,365	127	102	141	105	1,424	10.9
	- Imports	154	206	7	17	29	21	221	-3.0
	- Exports	775	798	55	64	92	63	823	10.2
	- New Supply	687	774	79	54	78	63	822	7.5
Paper Grades Chemical Pulp	- Production	6,806	7,200	650	586	631	612	7,434	2.9
	- Imports	2,975	3,126	269	234	269	238	3,031	-0.2
	- Exports	4,045	4,273	346	343	449	360	4,492	6.3
	- New Supply	5,736	6,052	573	476	451	490	5,973	-1.1
Groundwood Pulp and All Other	- Production	0	0	0	0	0	0	0	0.0
	- Imports RS	106	139	4	3	6	9	66	-66.8
	- Exports	0	0	0	0	0	0	0	0.0
	- New Supply	106	139	4	3	6	9	66	-66.8

SOURCES: Total Wood Pulp Production & Market Wood Pulp Production, Imports & Exports - Pulp Division, Pulp, Materials and Technology Group, API. Total Wood Pulp Imports & Exports - Department of Commerce.
NOTE: A - API shifted Import data from January 1989 to December 1988 to compensate for misallocation of reported data

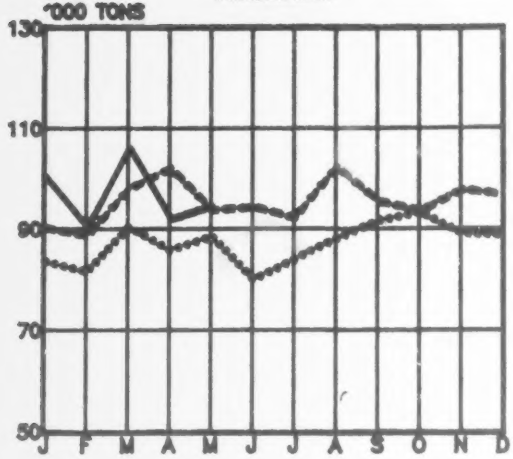
FIBROUS RAW MATERIALS
(Thousands of tons)

	YEAR 1987	1988	JANUARY 1989	FEBRUARY 1989	MARCH 1989	APRIL 1989	Annual Rate Y-T-D 1989	% Change from same Period Last Year
CONSUMPTION AT PAPER & PAPERBOARD MILLS					R	P		
Total	77,468	79,707	6,942	6,274	6,880	6,681	80,334	0.7
Total Wood Pulp	59,474	60,847	5,370	4,783	5,269	5,132	61,659	1.
Waste Paper	17,993	18,860	1,572	1,491	1,612	1,550	18,674	-0.4
INVENTORIES								
Chemical Paper Grade Market Pulp								
Producers' Own-Use Inventories	170	172	178	178	179	190	190	12.
Producers' Market Inventories	224	261	344	354	279	305	305	19.
Consumers' Purchased Inventories #	529	622	596	608	592	596	596	12.
Waste Paper at Paper & Bd. Mills	902	1,029	1,008	987	1,011	1,027	1,027	20.
Days of Supply at Pulp Mills of Chemical Paper Grade Mkt Pulp	12	14	18	18	13	15	15	15.

SOURCES: Wood Pulp Data, Pulp Division, Pulp, Materials and Technology Group, API. Waste Paper Data, Paper Recycling Committee, API. # Includes all grades of wood pulp.
P - Preliminary; R - Revised; (0) - Indicates zero to five-hundred short tons RS - 1988 Revised Series

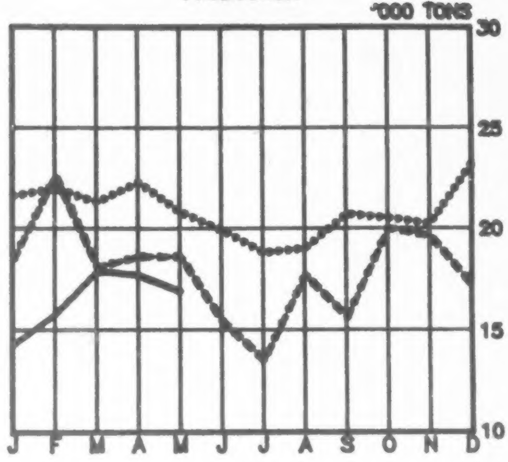
BLEACHED BRISTOLS

PRODUCTION



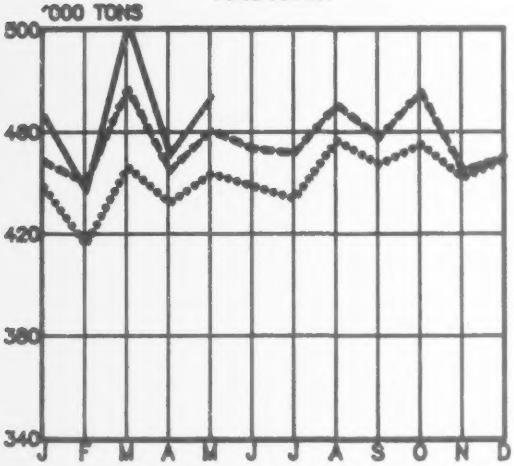
THIN PAPER

PRODUCTION



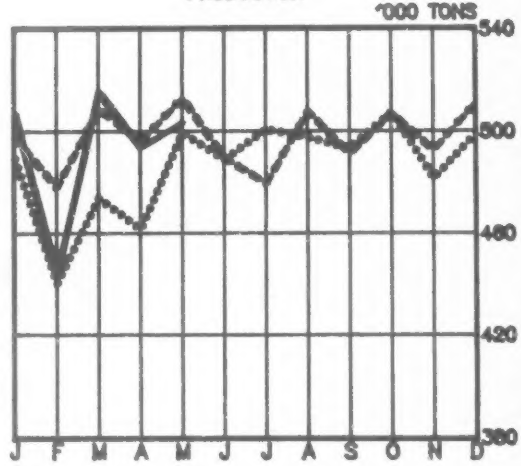
TISSUE PAPER

PRODUCTION



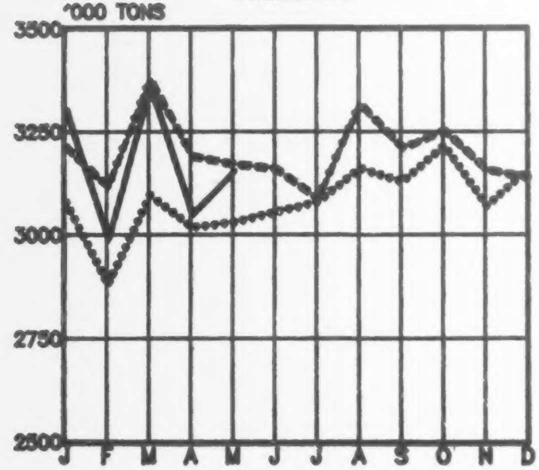
NEWSPRINT

PRODUCTION



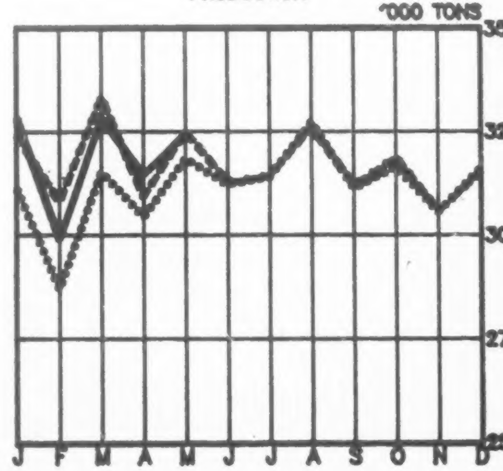
TOTAL PAPER

PRODUCTION



TOTAL PAPERBOARD

PRODUCTION



1987 ········ 1988 ········1989 ———

FIBROUS RAW MATERIALS

(Thousands of Standard (128 cubic foot) Cords)

		YEAR 1987	YEAR 1988	JANUARY 1989	FEBRUARY 1989	MARCH 1989	APRIL 1989	Annual Rate Y-T-D 1989	% Chang From S Perio Last Y
PULPWOOD									
Total U.S.	- Total Receipts	94,312	95,537	8,440	7,748	8,035	7,858	96,243	
	- Total Consumpt	93,946	95,497	8,358	7,837	8,169	8,040	97,212	
	- Residues *	32,899	33,186	2,894	2,746	2,776	2,761	33,531	
	- Inventories	5,096	4,888	4,861	4,701	4,490	4,402	4,402	
So. Atlantic	- Total Receipts	31,147	31,582	2,765	2,542	2,558	2,670	31,605	
	- Total Consumpt	30,915	31,567	2,763	2,623	2,660	2,719	32,295	
	- Residues *	9,553	9,897	860	874	768	812	9,942	
	- Inventories	1,211	1,200	1,194	1,115	1,020	964	964	
Northeast	- Total Receipts	6,941	7,187	698	656	628	530	7,536	
	- Total Consumpt	7,109	7,216	624	586	624	643	7,431	
	- Residues *	1,543	1,664	133	168	150	142	1,779	
	- Inventories	594	572	597	685	667	533	533	
South Central	- Total Receipts	33,650	33,751	2,897	2,628	2,989	2,829	34,029	
	- Total Consumpt	33,059	33,646	2,920	2,743	3,032	2,750	34,335	
	- Residues *	9,992	9,890	879	737	898	810	9,972	
	- Inventories	1,294	1,160	1,133	953	974	1,061	1,061	
North Central	- Total Receipts	6,552	6,865	690	631	543	437	6,903	
	- Total Consumpt	6,764	6,929	601	561	576	588	6,978	
	- Residues *	1,263	1,334	114	119	136	107	1,428	
	- Inventories	830	839	932	979	870	846	846	
West	- Total Receipts	16,022	16,152	1,390	1,291	1,317	1,392	16,170	
	- Total Consumpt	16,099	16,139	1,450	1,324	1,277	1,340	16,173	
	- Residues *	10,548	10,401	908	848	824	890	10,410	
	- Inventories	1,167	1,117	1,005	969	959	998	998	

* - Consumption of Residues in Cord Equivalents. SOURCE: American, Pulpwood Association 20-Jun-89

UNITED STATES TRADE WITH CANADA

IMPORTS FROM CANADA

	YEAR 1988 Tons	1988 ($000's)	MARCH 1989 Tons	MARCH 1989 ($000)	APRIL 1989 Tons	APRIL 1989 ($000)	Annual Rate Y-T-D 1989 Tons	% Cha From Per Last
Pulpwood, Roundwood (in cords of 128 cubic feet)	39,337	4,195	13,128	309	0	0	151,224	
Pulpwood chips	876,038	35,184	102,766	3,909	73,429	3,230	1,051,002	
Wood Pulp, Total	A 4,340,245	2,282,329	407,201	242,085	358,018	212,541	4,562,698	
Waste Fibrous Materials, Total	227,004	48,450	15,733	3,705	15,829	3,151	197,832	
Paper, Board & Products, Total	A 10,497,185	5,715,612	936,589	522,760	897,394	508,977	10,781,912	
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	A 10,348,278	5,458,084	922,024	495,568	885,684	483,300	10,591,528	
Paper, Paperboard & Products	A 10,283,277	5,649,813	922,980	519,243	887,003	505,949	10,580,292	
Paper & Paperboard, Only	A 10,134,369	5,392,286	908,415	492,051	875,292	480,271	10,389,907	
Paper, Total	A 9,869,253	5,295,796	879,871	480,558	842,050	467,407	10,010,687	
Newsprint	A 8,284,709	4,320,023	707,386	364,622	667,129	351,849	7,889,084	
Printing, Writing & Rel. Pap.	A 1,304,003	807,306	148,543	99,033	152,886	99,898	1,810,650	
Pack. & Ind. Conv. Paper	227,493	120,765	16,928	9,528	15,413	8,499	217,958	
Special Industrial Paper	4,767	9,106	2,360	3,067	2,652	3,632	35,874	
Tissue Paper	48,281	38,596	4,655	4,309	3,970	3,530	57,122	
Paperboard, Total	265,116	96,490	28,544	11,493	33,243	12,865	379,220	
Convtd Paper&Paperbd Products	148,908	257,528	14,565	27,192	11,710	25,677	190,385	
Wet Machine Board	2,939	2,120	0	0	46	45	208	
Construction Paper & Board	210,970	63,679	13,609	3,517	10,346	2,984	201,413	

NOTE: A - API shifted Import data from January 1989 to December 1988 to compensate for misallocation of reported data.

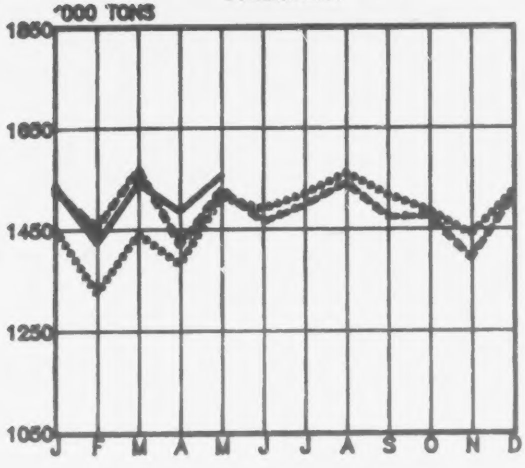
EXPORTS TO CANADA

	YEAR 1988 Tons	1988 ($000's)	MARCH 1989 Tons	MARCH 1989 ($000)	APRIL 1989 Tons	APRIL 1989 ($000)	Annual Rate Y-T-D 1989 Tons	% Cha From Per Last
Pulpwood, Roundwood (in cords of 128 cubic feet)	14,180	836	0	0	6,047	90	18,216	
Pulpwood chips	33,040	1,739	2,603	104	1,822	84	19,964	
Wood Pulp, Total	280,074	101,214	37,611	15,674	24,957	10,843	299,116	
Cotton Pulp & Other Pulp	84,891	24,062	611	38.	476	364	7,338	
Waste Paper	331,999	38,199	34,064	4,035	26,322	3,284	315,859	
Paper, Board & Products, Total	1,050,117	715,960	89,690	69,068	86,930	63,306	891,262	
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	773,973	464,416	64,242	46,289	63,768	41,591	621,000	
Paper, Paperboard & Products	1,013,157	699,127	87,616	68,256	84,899	62,580	872,249	
Paper & Paperboard, Only	737,013	447,583	62,168	45,477	61,737	40,865	601,987	
Paper, Total	340,156	293,175	32,412	31,781	29,558	27,838	312,389	
Newsprint	5,806	5,304	379	321	708	569	5,976	
Printing, Writing & Rel. Pap.	166,667	160,007	20,570	19,726	18,086	17,667	192,128	
Pack. & Ind. Conv. Paper	41,718	29,572	5,159	2,569	4,869	2,391	44,645	
Special Industrial Paper	118,806	90,276	5,797	8,350	5,419	6,483	64,487	
Tissue Paper	7,160	8,016	507	814	477	728	5,154	
Paperboard, Total	396,857	154,408	29,757	13,696	32,179	13,027	289,598	
Convtd Paper&Paperbd Products	276,145	251,544	25,447	22,779	23,161	21,715	270,262	
Wet Machine Board	6,527	2,590	360	134	16	6	1,693	
Construction Paper & Board	30,433	14,243	1,713	677	2,015	720	17,320	

SOURCE: Bureau of Census, Department of Commerce . **E - Estimate of tonnage based on square foot data**

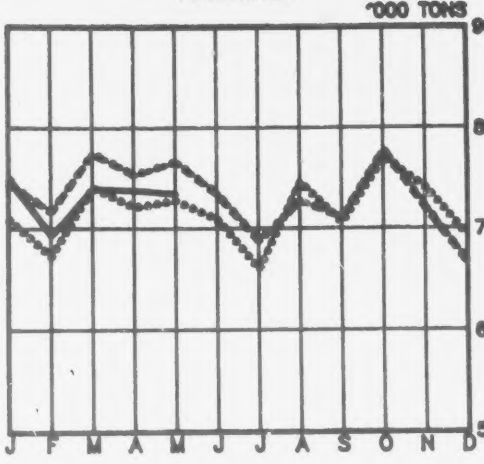
UNBLEACHED KRAFT LINERBOARD

PRODUCTION



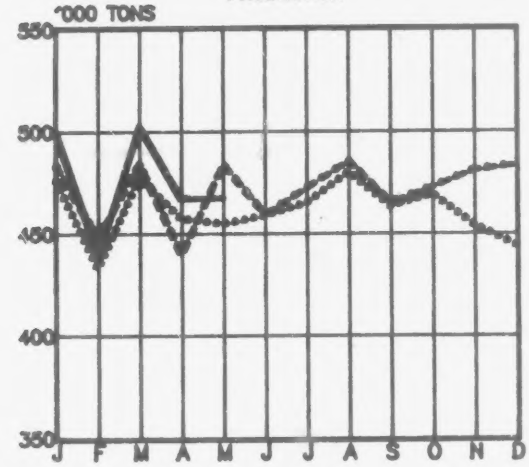
RECYCLED PAPERBOARD

PRODUCTION



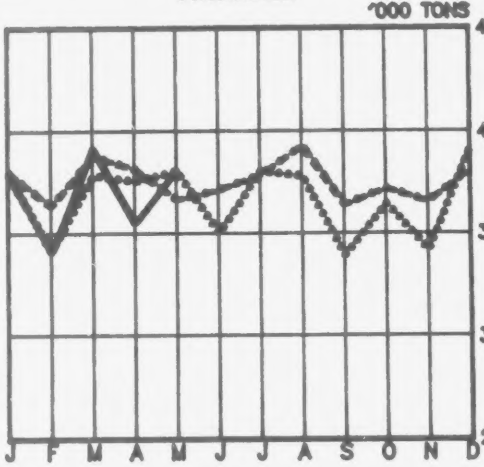
SEMICHEMICAL PAPERBOARD

PRODUCTION



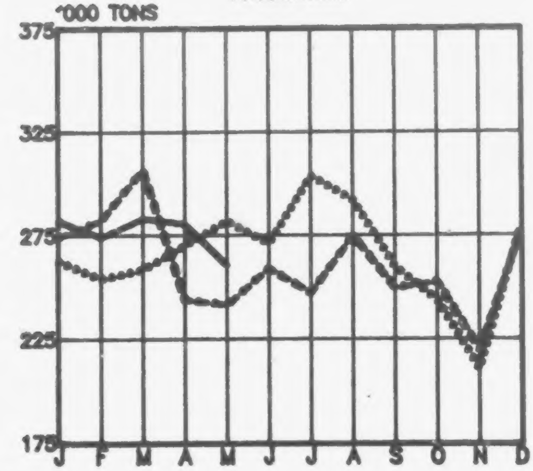
SOLID BLEACHED PAPERBOARD

PRODUCTION



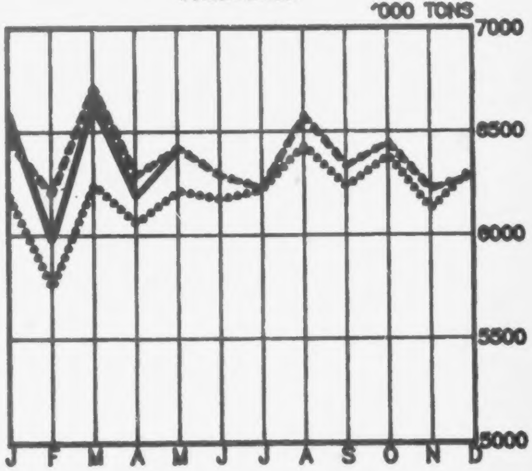
PAPERBOARD FOR EXPORT

PRODUCTION



TOTAL PAPER AND PAPERBOARD

PRODUCTION



1987 ········ 1988 ——·——·—— 1989 ————

IMPORTS

	YEAR 1988		1989		1989		(1) Annual Rate YTD 1989	% Change from same Period Last Year
	Tons	$000	MARCH Tons	MARCH $000	APRIL Tons	APRIL $000	Tons	
* * * *	*	*	*	* *	*	*	*	
Pulpwood Roundwood (cords)	39,515	4,200	13,128	309	0	0	151,224	285.5
Pulpwood Chips	888,636	35,553	103,363	3,922	73,473	3,233	1,059,081	23.0
Total All Imports A	18,402,259	10,725,164	1,632,309	1,012,825	1,495,075	938,098	18,320,183	-0.6
Wood Pulp Total A	5,038,158	2,663,424	466,027	278,786	418,213	249,482	5,133,384	1.9
Waste Paper	161,367	27,361	17,852	3,919	16,546	3,266	214,932	20.7
Other Fibrous Materials	92,505	32,331	2,302	2,023	1,155	1,105	15,470	-82.7
Paper Board & Products Total A	13,110,229	8,002,047	1,146,128	728,097	1,059,161	684,245	12,956,397	-1.3
Paper Paperboard Wet Machine Bd. & Construction Paper & Board A	12,679,974	6,989,006	1,097,163	634,606	1,018,713	599,350	12,377,411	-2.7
Paper Ppbd & Prds ex Cnst&WMB A	12,787,784	7,893,637	1,128,026	723,341	1,045,160	680,049	12,711,083	-1.1
Paper & Paperboard Only A	12,357,530	6,980,596	1,079,061	629,850	1,004,711	595,153	12,132,097	-2.5
Paper Total A	12,016,519	6,749,882	1,043,617	612,572	965,761	576,463	11,691,113	-3.5
Newsprint A	8,801,503	4,569,853	741,916	379,335	674,252	355,863	8,085,729	-9.0
Printing & Writing A	2,812,259	1,899,745	264,365	194,574	254,859	182,236	3,099,457	9.4
Uncoated Groundwood	1,362,642	792,881	132,755	81,129	136,292	80,982	1,615,721	9.6
Coated Print.& Impreg. Pap. A	797,765	641,466	57,922	48,353	62,777	52,008	700,077	-5.8
Uncoated Free Sheet A	591,830	414,326	58,854	48,136	44,717	36,489	625,149	12.0
Uncoated Book A	250,146	175,746	N.L.R.	N.L.R.	N.L.R.	N.L.R.	N.L.R.	N.L.R.
Writing and Similar Paper A	333,683	238,580	58,854	48,136	44,717	36,489	625,149	88.8
Thin (except Cigarette)	55,774	48,804	9,777	11,003	5,643	6,782	94,552	70.3
Bristols	4,247	2,269	5,058	5,954	5,430	5,974	63,958	7073.4
Total Pkg & Other Paper	343,196	231.796	28,174	30,270	26,868	29,434	389,557	17.8
Unbleached Kraft Paper	161,708	76,116	16,975	8,335	16,153	7,888	237,464	35.
Other Pkg. & Indust. Paper	181,488	155,680	11,199	21,935	10,715	21,546	152,093	-2.4
Tissue	59,561	48,488	9,162	8,393	9,784	8,929	116,370	60.
Paperboard, Total	341,011	130,714	35,444	17,278	38,950	18,691	440,984	32.8
Test or Containerboard	85,682	36,145	5,883	2,183	1,881	780	60,443	-16.
Semi-Chemical Corrugating	142,490	43,596	10,480	3,322	12,855	4,112	128,732	-12.
Other Paperboard	112,839	50,972	19,082	11,773	24,213	13,798	251,809	122.
Convtd Paper&Paperbd Products	430,255	1,013,041	48,965	93,491	40,449	84,896	578,986	45.
Paper Products, Total	393,089	944,974	38,809	76,364	31,464	69,452	468,561	29.
Paperboard Products, Total	37,166	68,067	10,157	17,128	8,985	15,443	110,425	211.
Wet machine Board	4,239	3,780	44	53	73	92	462	-89.
Construction Paper & Board	318,206	104,630	18,058	4,704	13,928	4,105	244,853	-10.
Notes								
Other: No Weight Avail. ($000)		177,686		11,363		9,204	110,452	-37.
Total Imports Incl. Other($000)		10,902,950		1,024,188		947,302	11,381,302	8.

NOTE: A - API shifted Import data from January 1989 to December 1988 to compensate for misallocation of reported data.

EXPORTS

							(1)	
Pulpwood, Roundwood (cords)	15,470	894	3,548	44	16,820	231	100,113	474.
Pulpwood Chips	3,503,100	286,191	407,795	30,096	375,946	31,634	4,151,562	55.
Total All Exports	17,061,208	7,467,363	1,760,147	837,729	1,546,102	726,088	18,643,055	12.
Wood Pulp,Total	5,528,292	2,914,521	622,808	346,789	524,576	297,982	6,334,047	18.
Cotton Pulp and Other Pulp	201,567	111,923	14,387	11,887	16,425	14,260	138,553	-38.
Waste and Old Paper	5,640,118	688,258	513,536	61,774	512,583	63,189	5,960,482	14.
Paper, Board & Products,Total	5,691,231	3,752,661	609,415	417,278	492,518	350,657	6,209,973	7.
Paper,Paperboard,Wet Machine Bd. & Construction Paper & Board	4,876,563	2,701,405	514,846	302,610	408,224	244,917	5,201,343	4.
Paper, Ppbd & Prod ex Cnst&WMB	5,559,356	3,683,601	606,268	415,952	488,784	349,217	6,171,364	9.
Paper & Paperboard, Only	4,744,688	2,632,346	511,699	301,283	404,491	243,477	5,162,733	6.
Paper, Total	1,102,490	988,031	142,253	130,093	108,274	103,833	1,396,824	31.
Newsprint	427,296	295,474	60,792	36,727	42,068	25,364	623,943	96.
Printing & Writing	287,208	313,047	49,335	45,045	36,023	36,906	424,004	46.
Uncoated Groundwood	70,286	58,639	10,006	7,315	6,731	4,725	84,748	25.
Clay Coated Paper	97,464	79,731	17,865	12,310	10,907	9,344	134,320	20.
Uncoated Free Sheet	82,660	124,049	8,650	11,883	6,365	8,760	77,528	-2.
Other Printing & Writing	36,799	50,629	12,815	13,537	12,021	14,077	127,408	323.
Total Pkg. & Other Paper	346,718	342,117	30,194	45,326	27,878	38,249	327,634	-14.
Unbleached Kraft	110,075	54,975	10,847	5,383	8,725	4,395	114,838	12.
Other Pkg. & Indust. Paper	236,643	287,142	19,347	39,942	19,153	33,854	212,796	-23.
Tissue	41,268	37,393	1,933	2,995	2,304	3,315	21,244	-60.
Paperboard, Total	3,642,198	1,644,314	369,446	171,191	296,217	139,645	3,765,909	-0.
Solid Wood Pulp	3,359,078	1,511,057	350,933	162,018	282,477	132,833	3,584,698	2.
Total Linerboard	2,281,362	887,846	250,118	94,933	186,211	70,119	2,550,429	5.
Bleached Kraft Linerboard	140,801	73,728	19,031	9,494	18,796	8,256	288,554	62.
Unbleached Kraft Linerbd	2,140,562	814,119	231,087	85,439	167,415	61,862	2,261,874	0.
Other Unbleached Kraft	292,437	102,638	19,551	9,688	23,835	10,827	238,108	-24.
Other Bleached Kraft	742,918	502,513	80,434	57,848	69,189	50,467	767,548	9.
Semi-Chemical Corrugating	42,360	18,060	830	348	3,242	1,421	28,614	-52.
Recycled Paperboard	283,121	133,257	18,513	8,373	13,740	6,812	181,211	-40.
Convtd Paper&Paperbd Products	814,668	1,051,256	94,569	114,668	84,293	105,740	1,008,630	28.
Paper Products, Total	367,548	682,281	46,315	74,248	38,627	68,593	462,412	36.
Paperboard Products, Total	447,121	368,975	48,254	40,420	45,666	37,147	546,219	23.
Wet Machine Board	11,691	4,915	422	157	59	30	2,630	-78.
Construction Paper & Board E	126,184	64,145	2,726	1,169	3,674	1,409	35,979	-67.
Notes								
Other: No Weight Avail. ($000)		9,170		1,459		1,810	15,859	80
Total Exports Incl. Other($000)		7,476,533		839,188		727,898	8,506,938	19.

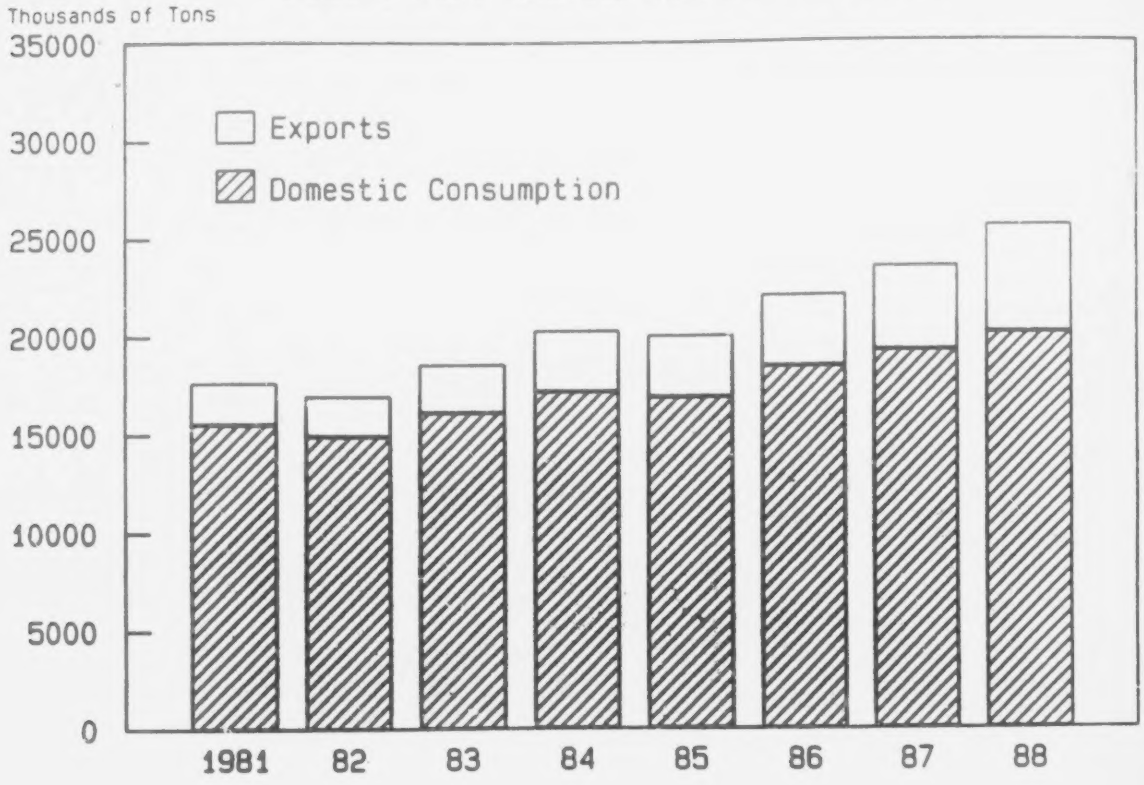
SOURCE: Bureau of Census, U.S. Department of Commerce. E - Incl. estim. of tonnage based on square foot data.
(1) Annual Rate Year-To-Date is in tons unless otherwise specified in item description. N.L.R. - No longer reported.

PRODUCER PRICE INDEXES
1982 = 100

	1987	1988	FEBRUARY 1989	MARCH 1989	APRIL 1989	MAY 1989	Annual Rate Y-T-D 1989	% Chang from sam Period Last Yea
Pulp, Paper and Products except Building Grades	114.3	124.8	131.1	132.0	132.7	133.3	131.7	8.
Pulp Paper & Products, ex. Building Grades & ex Waste Paper *	113.2	123.0	130.7	131.6	132.3	132.9	131.3	9.
Total Wood Pulp	111.5	136.7	151.5	153.4	155.7	158.4	154.1	19.
Total Paper	111.5	123.2	130.2	130.7	131.3	131.0	130.4	8.
Total Paper, exc. Newsprint	110.6	123.4	130.7	131.4	132.1	132.3	131.3	10.
Newsprint	112.3	127.6	128.8	128.3	128.2	124.1	127.2	-0.
Total Paperboard	110.1	133.2	138.7	141.6	143.0	143.5	141.1	8.
Total Paper and Paperboard *	113.6	126.4	132.9	134.1	135.2	134.9	133.7	8.
Converted Products	114.7	123.0	129.8	130.3	130.5	131.0	130.0	8.
Waste Paper	101.4	103.6	156.8	158.2	159.1	158.2	157.9	-17.
All Commodities	102.8	106.9	110.8	111.5	112.3	113.1	111.6	6.
Industrial Commodities	102.6	106.3	110.0	110.6	111.7	112.4	110.9	5.

SOURCE: Producer Price Indexes: Bureau of Labor Statistics, U.S. Department of Labor * Computed by API

TOTAL U.S. WASTE PAPER RECOVERY



Year-to-date shipments of packaging papers were off 4.8% during the first five months of 1989, with particular weakness being displayed by the unbleached kraft paper grades, which trailed their year-ago volume by 5.1%. Unbleached kraft paper shipments had declined 1.4% from 1987 to 1988. In 1988 the U.S. economy posted strong gains and plastic resin producers ran at nearly full capacity utilization, which restricted competitive inroads into kraft paper markets by plastic bags and sacks. Operating rates in the plastics industry have eased somewhat in 1989 and polyethylene resin prices have come down a few cents a pound relative to the peak levels reached during late 1988.

Paperboard: Paperboard production posted a marginal year-to-date loss of 0.2% during the first five months of 1989. Exports showed greater strength than domestic demand, despite the dollar's recent appreciation relative to several other major trading currencies.

Containerboard production for domestic use held approximately even with its year-ago volume during the first five months of 1989, although fibre box shipments exceeded their year-ago volume by 1.6% in this period. Containerboard inventories at mills and plants have been in a relatively neutral pattern so far this year following considerable building in 1987 and a more modest expansion in 1988. The June 1, 1989 inventories were still equivalent to a moderate 5.5 weeks of supply.

MARKET WOOD PULP

U.S. shipments of chemical paper grade market wood pulp to the domestic market in May were off 8% from their year-ago level, continuing the pattern evident in all but one month since the beginning of the year. However, shipments from the U.S. to Western Europe surged 18% over April to 164,000 metric tons, 43% higher than in May 1988, bringing the five-month total to 10% above last year's level. A 28% increase in year-to-date shipments to Japan offset the declines in shipments to the domestic market and to other markets bringing the January-May 1989 total 3% above its comparable year-ago rate.

Domestic production and shipments of chemical paper grade market pulp were virtually equal in May, leaving producers' inventories unchanged at 15 days of supply. Total North American and Nordic production slightly exceeded shipments with inventories edging upward to 16 days of supply, marginally above their year-ago level.

The United States capacity utilization rate of chemical paper grade market pulp slid to 94% in May, its lowest level since November 1988. However, the January-May 1989 rate averaged 99%, comfortably ahead of the 96% registered in the comparable 1988 period.

Continued on Page 12

PAPER RECYCLING TRENDS

The U.S. recovery rate for recyclable paper has increased significantly during recent years in response to strong gains in exports and domestic consumption of waste paper. Defined as the ratio of total waste paper recovered to new supply of paper and paperboard (i.e., production plus imports less exports), the recovery rate advanced from 26.3% in 1985 to 28.1% in 1987 and 29.9% in 1988. The recovery rate previously increased from 22.4% in 1970 to 26.8% in 1980, but then held close to the 26% level through 1985.

With the single exception of 1985, U.S. exports of waste paper have advanced at double digit rates every year since 1983. Recent gains measured 14% in 1986, 18% in 1987, and nearly 28% in 1988. The rapid gains have been driven by strong foreign demand for U.S. fiber, particularly from several of the fiber-poor nations of the Far East. (See graph on page 10.)

All of the major grades of U.S. waste paper exports, except for mixed, posted record highs in 1988. The largest export category -- old corrugated -- rose 18.5%, to 2.28 million tons last year. The Far East & Oceania accounted for 58.1% of U.S. exports of old corrugated in 1988, followed by North America (i.e., Mexico and Canada) 22.6%, and Europe 16.2%. Increased demand from Europe accounted for about half of last year's tonnage gain in U.S. exports of old corrugated.

Exports of old newspapers rose 16% in 1988, topping the one million ton mark for the first time. The Far East and Oceania accounted for nearly two-thirds of these exports in 1988, with most of the balance going to Mexico. Spurred by a tight international pulp market, U.S. exports of pulp substitutes and high grade deinking papers advanced by 72% and 60%, respectively, in 1988. Exports of mixed papers, which include box plant clippings, mixed office papers, and various specialty grades, increased nearly 20% in 1988, to 885,000 tons, virtually matching its 1984 high of 886,000 tons.

A recent report by API's International Department noted that Korea, Mexico, and Taiwan, in that order, were the three largest importers of waste paper in 1988, followed by Japan, Canada, Italy, and Spain. Collectively, these seven countries accounted 83.8% of U.S. waste paper exports in 1988. Although Japan remained the fourth largest importer of U.S. waste paper last year -- the same ranking as in 1987 -- U.S. shipments to that country declined 8% in 1988 to 608,000 tons.

Domestic use of recycled paper has also been on the rise, albeit at a slower rate than exports. In particular, paper stock consumption at U.S. mills increased 9.6% in 1986, 4.2% in 1987, and 4.6% in 1988. The utilization rate, which is defined as the ratio of recyclable paper consumption to total production of paper and paperboard, consequently increased from 23.8% in 1985 to 25% last year.

A2500-2

INDUSTRY FACT SHEET

AMERICAN PAPER INSTITUTE, INC.
260 Madison Avenue
New York, New York 10016

June 26, 1989

*	(P)	*	*	*	*	% CHAN
			PRODUCTION (000 TONS)			
	MAY 1989	APRIL 1989	MAY 1988	FIRST 5 MONTHS 1989	1988	YR TO D 1989/19
PAPER GRADES						
Newsprint	504	495	514	2,468	2,498	-1
Printing & Writing	1,782	1,718	1,779	8,964	9,123	-1
Uncoated Groundwood (s)	142	149	137	721	667	8
Coated Paper (s)	577	544	600	2,908	3,090	-5
Uncoated Free Sheet Paper (s)	937	901	916	4,700	4,724	-0
Thin Paper (s)	17	18	19	83	97	-14
Cotton Fiber Paper (s)	14	14	14	70	71	-1
Bleached Bristols (s)	95	92	94	483	475	1
Tissue Paper	474	451	461	2,330	2,272	2
Total Pkg & Other Paper	395	387	422	2,095	2,200	-4
Unbl. Kraft Paper (s)	229	218	239	1,218	1,284	-5
Other Paper	167	169	183	877	916	-4
TOTAL PAPER	3,155	3,050	3,176	15,857	16,093	-1
PAPERBOARD GRADES						
Unbleached Kraft Paperboard	1,681	1,589	1,636	8,100	8,039	0
Unbleached Kraft Linerboard	1,560	1,490	1,533	7,561	7,516	0
Other Unbl. Kraft Paperboard	121	99	103	540	523	3
Semichemical Paperboard	468	468	485	2,378	2,343	1
Bleached Paperboard	382	356	367	1,850	1,882	-1
Recycled Paperboard	735	739	767	3,658	3,759	-2
TOTAL PAPERBOARD	3,265	3,150	3,255	15,986	16,023	-0
TOTAL PAPER AND PAPERBOARD	6,421	6,200	6,431	31,843	32,116	-0

WOOD PULP (ALL GRADES)	APRIL 1989	MARCH 1989	APRIL 1988	FIRST 4 MONTHS 1989	1988	% Chan 89/
Dissolving & Special Alpha	106	142	105	477	428	11
Bleached Sulfite)	134	134	125	523	512	2
Unbleached Sulfite)						
Bleached & Semi-Bl. Sulfate	2,289	2,328	2,164	9,122	8,751	4
Unbleached Sulfate	1,786	1,825	1,748	7,207	7,298	-1
Semichemical	366	378	354	1,486	1,438	3
Groundwood & Thermomechanical	512	502	509	1,971	1,995	-1
TOTAL PULP DIVISION DATA	5,193	5,307	5,004	20,787	20,423	1

(s) - Shipments
P - Preliminary

JUNE 30, 1989

	Full Year		INDUSTRY DATA 1988 - 1989	R	P	Ann. Rate Year - To - Date
PAPER AND PAPERBOARD -- Tons (000)	1987	1988	March	April	May	1989
Total Production (API).......: excluding :...	74,440	76,558	6,651	6,200	6,421	76,422
Total Seasonally Adjusted....:construction:...			6,446	6,304	6,331	76,644
Imports (including Products).: and wet :..E	12,454	12,788	1,128	1,045	1,090	12,785
Exports (including Products).: machine :..E	5,197	5,559	606	489	535	6,221
Apparent Consumption.........: grades :...	81,697 a	83,786 b	6,968	6,860	6,886	82,986 c
Paper Production % Tonnage Capacity...........	94.0 g	95.5	96.3	90.8	90.2	93.6
Paperboard Production % Tonnage Capacity......	96.8 g	96.4	94.4	94.0	93.5	94.6
			February	March	April	
IMPORTS.....:Including Construction and :...	12,837	13,110	1,025	1,146	1,059	12,956
EXPORTS.....: WMB Grades (excl. HPB) :...	5,304	5,691	526	609	493	6,210
MARKET WOOD PULP PRODUCTION - Tons (000)........	8,114	8,565	687	772	717	8,858
TOTAL WOOD PULP PRODUCTION - Tons (000).........	59,552	61,161	4,821	5,307	5,193	62,361
WOOD PULP IMPORTS - TONS (000).................	4,850	5,038	395	466	418	5,133
WOOD PULP EXPORTS - TONS (000).................	4,889	5,528	507	623	525	6,334
RAW MATERIALS CONSUMPTION - Tons (000)						
..PAPER AND BOARD MILLS : excluding :			February	March	April	
Wood Pulp.............:consumption for:....	59,475	60,847	4,783	5,269	5,132	61,659
Waste Paper...........:construction & :.....	17,993	18,860	1,491	1,612	1,550	18,674
TOTAL..........: WMB grades :.....	77,468	79,707	6,274	6,880	6,681	80,333
PULPWOOD CONSUMPTION Cords(000)Amer.Pulpwd. Assn	93,946	95,497	7,837	8,169	8,040	97,212
EMPLOYMENT (000)			March	April	May	
Paper and Allied Products..........Total......	679.0	689.3	693.1	692.3	694.3	691.8
Pulp, Paper and Board Mills........Total.....E	244.9	245.5	244.8	244.4	245.2	244.5
AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS ($)			March	April	May	
Paper and Allied Products........................	11.42	11.64	11.84	11.82	11.94	11.83
Pulp, Paper Mills...........................E	14.00	14.29	14.56	14.56	14.70	14.55
Paperboard Mills............................E	14.30	14.49	14.56	14.49	14.64	14.54
CAPITAL EXPENDITURES, PAPER & ALLIED PRODUCTS			1988 Q3	1988 Q4	1989 Q1	
(Rept. by US Dept. of Com., Ann. Rates, Bill.$)*	9.01	11.23	11.37	12.53	15.47	15.21 Y
INDEX OF OUTPUT PER MAN-HOUR (1977=100)..........			March	April	May	
:IN PULP, PAPER :...Production Workers..........	145.0	149.5	152.5	148.6	147.6	150.6
:AND BOARD MILLS:...All Employees...............	141.8	146.3	149.3	145.3	144.6	147.3
PAPER AND ALLIED PRODUCTS (Million $)			February	March	April	
Industry Shipments (Dept. of Commerce)*........	118,855	127,718	10,802	10,896	10,927	130,689
Pulp, Paper and Paperboard*..................	51,518	57,177	4,878	4,812	4,871	58,419
Inventories (End of Period) - Total Industry*..	11,284	12,065	11,941	11,905	11,943	11,943
Pulp, Paper and Paperboard*..................	4,266	4,325	4,473	4,546	4,610	4,610
			1988 Q3	1988 Q4	1989 Q1	
Sales (Corporations Only)........................	95,576	107,221 RS	27,394	26,990	27,281	109,124
Earnings (Corporations Only).....................	5,520	8,081 RS	2,227	1,911	1,979	7,916
Depreciation (Corporations Only).................	4,279	4,625 RS	1,163	1,167	1,187	4,748
Net Worth (Corporations Only)....................	39,217	42,940 RS	43,022	42,940	44,093	44,093
PRICE INDEXES (Bureau of Labor Stats)1982=100			March	April	May	
Pulp, Paper & Products, ex. Building Grades....	114.3	124.7	132.0	132.7	133.3	131.7
Wood Pulp..	111.6	136.7	153.4	155.7	158.4	154.1
Waste Paper......................................	181.4	183.5	158.2	159.1	158.2	157.9
Paper..	111.5	123.2	130.7	131.3	131.0	130.4
Paperboard.......................................	118.1	133.2	141.6	143.8	143.5	141.1
PAPER DEMAND (INDEXED: 1977=100)			March	April	May	
Total Paper Production *........................	133.8	138.8	141.7	132.9	137.1	137.6
Paper New Supply *..............................	140.6	144.7	146.5	137.8	142.2	142.1
Demand Indicators - (Weighted Average) *.....	154.5	163.7	173.2	174.0	174.6	172.7
Production of Nondurable Goods *...(21.2%).	136.8	143.9	148.4	149.3	149.3	148.7
Disposable Income ....*.(23.9%)	130.0	134.9	139.6	137.7	138.9	138.7
Total Printing and Publishing *...(54.9%).	172.0	183.8	197.4	199.3	200.0	196.9
Trend Factor	Not Available					
PAPERBOARD DEMAND (INDEXED: 1977=100)						
Total Paperboard Production *.................	129.2	131.6	131.6	134.1	131.2	133.0
Production for Domestic Use	126.1	129.0	128.0	130.7	128.6	129.8
Demand Indicators - (Weighted Average) *.....	125.9	132.5	136.2	137.0	136.7	136.6
Production of Consumer Goods *...(62.06%)	127.7	133.9	138.3	139.1	138.5	138.6
Production of Equipment *...(5.75%)	148.8	158.2	162.6	163.8	163.9	162.6
Production of Materials *...(32.19%)	118.3	125.3	127.3	128.3	128.5	127.9
Trend Factor	Not Available					
NEWSPRINT MARKETS			February	March	April	
Consumption by Publishers - Tons (000).........	13,583	13,597	1,031	1,162	1,164	13,254
Newspaper Pub. and Printing Empl. Total(000)...	471	475	477	475	474	476
PRINTING AND FINE PAPER MARKETS						
MAGAZINE ADVERTISING PAGES (PIB, Inc.)...........	164,771	168,835	13,977	15,409	16,646	170,667
WHOLESALERS SALES AND INVENTORIES (Million $)						
Total Paper & Pap. Prdcts.,ex Wallpaper..Sales	44,741	52,377	4,242	4,907	4,451	54,192
Inventories (End of Period).	3,850	4,436	4,562	4,563	4,489	4,489
FIBRE BOX DATA (Fibre Box Association)			March	April	May	
Fibre Box Shipments (Million square feet).......	297,827	308,507	26,767	26,397	26,734	313,519
Container'bd Inventory at Mill & Plant(000Tons).	2,486	2,553	2,569	2,562	2,527	2,527
RETAIL TRADE (Billion $)			March	April	May	
Total Retail Sales *..........................	1,511	1,612	140	141	141	1,682
Nondurable Goods Stores Sales *...............	950	998	87	87	87	1,040
GENERAL ECONOMIC DATA			March	April	May	
TOTAL INDUSTRIAL PRODUCTION (INDEX 1977 = 100)*..	129.8	137.2	140.6	141.4	141.4	140.9
PRODUCER PRICES(ALL COMMODITIES)(INDEX 1982=100).	102.8	106.9	111.5	112.3	113.1	111.6
CONSUMER PRICES (ALL ITEMS) (INDEX 1982-4=100)...	113.6	118.3	122.3	123.1	123.8	122.4
			February	March	April	
TOTAL CONSUMER CREDIT OUTSTANDING - (Billion $)..	618.2	671.4	682.3	682.1	687.2	687.2
GROSS NATIONAL PRODUCT - ANNUAL RATE (Billion$)..			1988 Q3	1988 Q4	1989 Q1	
G.N.P. or Expenditure - Current $..............	4,527	4,864	4,909	5,000	5,105	5,105
G.N.P. or Expenditure - 1982 $.................	3,847	3,996	4,009	4,033	4,077	4,077

lb/capita

	Pap&Papbd		Othr		Totl	Popul(mil)
.a -	670	+	17	=	687	243.9
.b -	682	+	17	=	699	245.5
.c -	676	+	17	=	693	245.5

.E - Last month estimated by API

f - Wood Pulp Production excludes ... explo. & scrngs.
g - Adjusted for holiday shutdowns
h - First 3 quarters, annual rate
Q - Quarter

R - Revised
Y - Full year estim. by U.S. Dept. of Com.
RS - Revised Series
* - Seasonally Adjusted.

A2500-2

Paper
Paperboard
& Wood Pulp

MONTHLY STATISTICAL SUMMARY - Vol. 67 No. 7

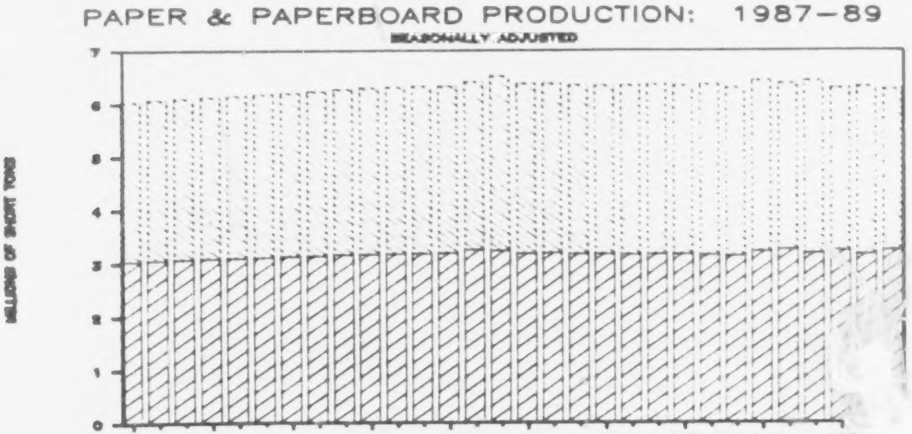
JULY 1989

PRODUCTION: PAPER CONTINUES TO EASE; PAPERBOARD HOLDS STEADY

Evidence of a slowing economy continued to accumulate. Paper industry activity mirrors that slowdown. Total paper and paperboard output eased fractionally from the record-high plateau of the preceding five quarters, with paperboard production advancing marginally and paper production falling off slightly more. The seasonally-adjusted rate of total paper and paperboard production in the first half of 1989 was 0.5% below its year-ago level, with paper down 1.6% and paperboard up 0.6%.

Paper: Among the major paper grades, the largest decline was recorded in coated papers, with the first half total down 6.6% from its year-ago rate. Shipments to magazine and book publishers showed the greatest reductions, while declines in shipments to other periodical publishers, commercial printers and label and wrap manufacturers were more modest.

Shipments of uncoated free sheet papers have been trending downward throughout the first half of 1989, but the six months total was only 1.8% below its corresponding 1988 level. While shipments of these papers to office reprographic users, stationery and other converters were well above their year-ago levels, these gains did not totally offset the declines in shipments to other major markets.



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Among the other paper grades, first half 1988 newsprint production held close to its year-ago level while tissue paper production showed a 2.6% gain. Although production of packaging and other industrial converting grades strengthened in June, their first half 1989 totals remained, on average, 4.3% below the year-ago level.

Paperboard: Unbleached kraft linerboard production for domestic use posted a year-to-year increase of 1.4% during the first six months of 1989, with the impetus coming from continued gains in box shipments. U.S. box shipments exceeded their year-ago rate by 0.5% in the first quarter of 1989 and by 3.2% in the second, bringing the six-month year-to-date increase to 1.8%. Linerboard exports, which ran 3.3% above their year-earlier rate in the January-May 1989 period, fell 16% in June, narrowing the six-months 1989 increase to 0.3%.

Other unbleached kraft paperboard posted a 5.0% gain during the first half of 1989, with the strong advance reflecting a 6.8% increase in unbleached kraft folding boxboard. Capacity utilization rates averaged 96% for total unbleached kraft paperboard during the first half of 1989, virtually unchanged from its year-ago rate.

Following the linerboard pattern, semichemical paperboard demand also benefited from this year's healthy box shipments, rising 1.6% from its year-ago level. Reflecting installation of additional capacity, operating rates for semichemical paperboard declined from 98% in the first quarter to 95% in the second.

Demand for recycled paperboard was off 2.7% during the first half of 1989, with weakness in gypsum wallboard and panelboard, both of which are tied to the construction cycle, partially responsible for the decline. Production of recycled folding boxboard posted a modest 0.5% gain.

Output of solid bleached paperboard was off 0.5% during the first half of 1989, but operating rates averaged 96.3% of capacity, which was about in line with year-ago. Paperboard milk cartons may be experiencing increased competition from plastic containers this year due to the recent easing of resin supplies. Production of milk carton stock was off 5.7% during the first half of 1989, according to API's Paperboard Group.

MARKET WOOD PULP

U.S. shipments of chemical paper grade market pulp, at 3.7 million tons through June 1989, were 2.9% ahead of their year-ago pace. A 4.9% drop in U.S. shipments to the domestic market was triggered by the 2.7% setback in printing-writing paper shipments, a major market for these grades of pulp. Strong export shipments of 2.3 million tons, 8% higher than their year-

Continued on Page 11

PAPER AND PAPERBOARD STATISTICS

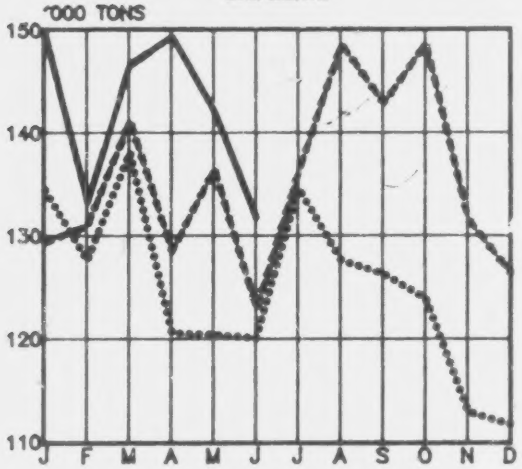
PRODUCTION, SHIPMENTS AND ORDERS
(Thousands of Short Tons)

	YEAR		MARCH 1989	APRIL 1989 (R)	MAY 1989 (R)	JUNE 1989 (P)	Annual Rate Y-T-D 1989	% Change From same Period Last Year
	1987	1988						
PAPER								
Newsprint - Production	5,842	5,982	516	495	504	498	5,931	-0.8
- Shipments	5,854	5,969	509	487	510	498	5,877	-0.8
Printing & Writing Sum	20,778	21,793	1,893	1,718	1,782	1,660	21,249	-2.7
Groundwood Paper - Shipments	1,498	1,624	147	149	142	132	1,705	8.0
- New Orders	1,542	1,654	163	134	145	141	1,703	6.8
-Unfilled Orders	166	210	204	178	185	197	197	2.3
Coated Papers - Shipments	6,860	7,359	604	544	577	554	6,922	-6.6
- New Orders	7,066	7,404	599	505	610	609	6,943	-6.3
- Unfilled Orders	708	721	701	647	694	732	732	6.3
Unctd Free Sheet - Shipments	10,966	11,277	1,003	901	937	853	11,105	-1.8
- New Orders	11,173	11,314	1,015	866	863	877	10,874	-5.2
- Unfilled Orders	772	781	712	650	583	600	600	-27.2
Thin Papers - Shipments	240	217	18	18	17	15	196	-12.8
Cotton Fiber Paper - Shipments	163	167	15	14	14	13	165	-2.6
Bleached Bristols - Production	1,052	1,150	106	92	95	95	1,155	1.5
Tissue Paper - Production	5,301	5,476	503	451	474	466	5,592	2.6
Total Packaging & Other Paper	4,955	5,047	436	375	384	401	4,869	-4.3
Unbl. Kraft Paper - Shipments	3,070	3,037	264	218	229	248	2,932	-4.0
Other Paper - Production	1,884	2,010	173	157	155	154	1,937	-4.7
TOTAL PAPER-Production-Unadj.	36,876	38,298	3,348	3,038	3,144	3,026	37,640	-1.9
-Production-S.A.			3,258	3,056	3,152	3,046	37,740	-1.6
PAPERBOARD - PRODUCTION								
Solid Wood Pulp Furnish	28,859	29,316	2,549	2,412	2,530	2,505	29,667	1.2
Total Unbl. Kraft Paperboard	18,898	19,140	1,653	1,589	1,680	1,644	19,488	1.4
Unbl. Kraft Linerboard (1)	17,683	17,897	1,546	1,490	1,560	1,531	18,184	1.2
Production for Export	2,303	2,296	202	217	191	160	2,386	0.3
Other Unbl. Kraft Paperboard	1,215	1,244	108	99	121	113	1,304	5.0
Semichemical Paperboard	5,536	5,664	503	468	468	468	5,692	1.6
Production for Export	193	136	18	9	8	11	144	8.6
Solid Bleached Paperboard	4,406	4,511	392	356	382	393	4,486	-0.5
Production for Export	619	628	60	51	59	57	658	5.5
Recycled Paperboard	8,601	8,789	740	739	735	717	8,750	-2.7
Production for Export	75	72	3	3	3	3	35	-57.8
TOTAL PAPERBOARD-Prod.-Unadj.	37,442	38,105	3,290	3,150	3,265	3,222	38,416	0.3
- Containerboard Prod.(Dom. Use)	23,025	23,563	2,030	1,922	2,033	2,027	23,720	0.8
- Boxboard Prod.(Dom. Use)	6,969	7,066	611	582	598	613	7,121	0.6
- All Other P'bd Prod.(D.U.)	4,262	4,344	366	366	374	350	4,351	-2.9
- Total Paperbd Prod. for Export	3,190	3,132	283	281	261	231	3,223	0.1
TOTAL PAPERBOARD PROD.- S.A.			3,176	3,236	3,166	3,240	38,578	0.6
TOTAL PAPER AND PAPERBOARD								
Production - Unadj.	74,318	76,403	6,638	6,188	6,409	6,247	76,056	-0.8
Production - S.A.			6,434	6,292	6,319	6,286	76,318	-0.5

(1)Includes all exports of kraft paperboard. R - Revised P - Preliminary S.A. - Seasonally Adjusted

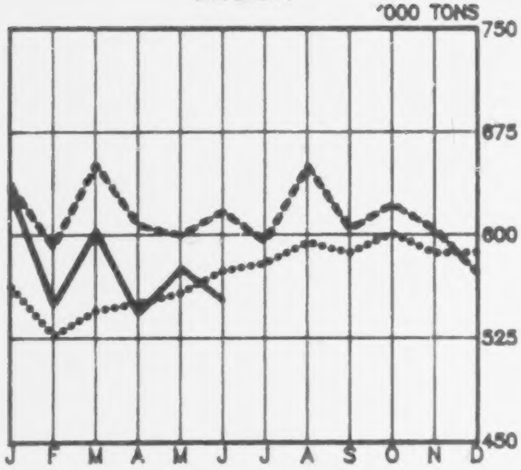
GROUNDWOOD PAPER, UNCOATED

SHIPMENTS



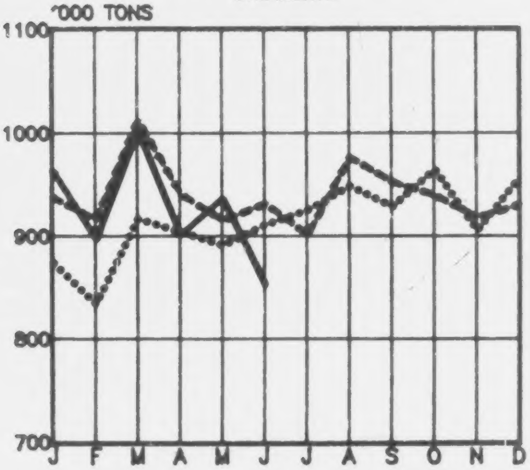
COATED PAPER

SHIPMENTS



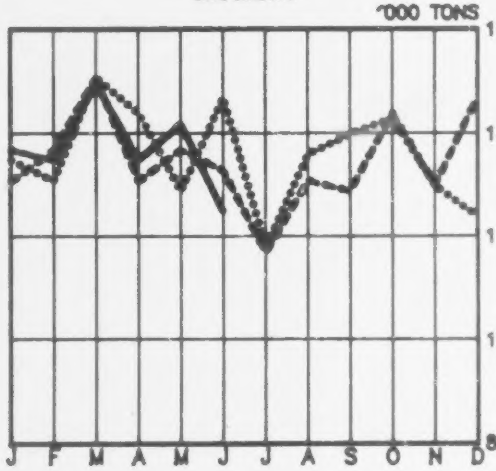
UNCOATED FREE SHEET PAPERS

SHIPMENTS



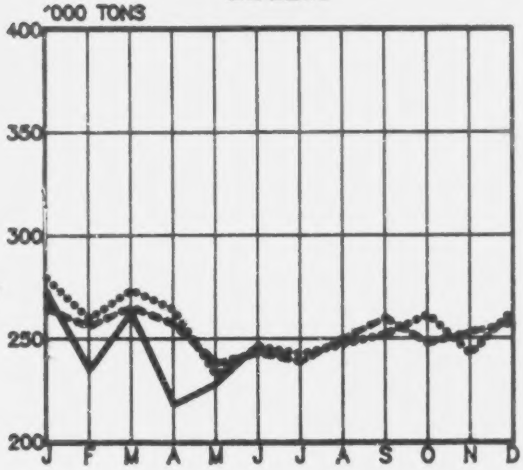
COTTON FIBER PAPER

SHIPMENTS



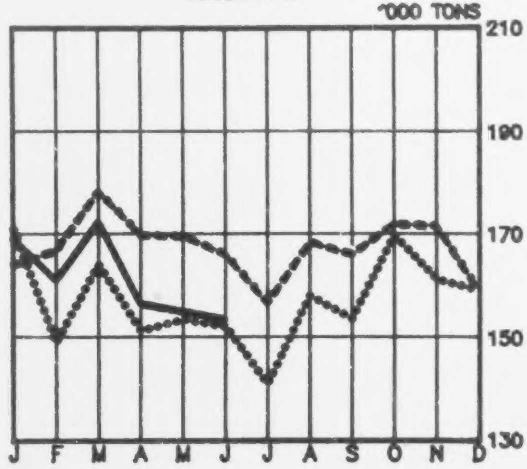
UNBLEACHED KRAFT PACKAGING
AND INDUSTRIAL CONVERTING PAPER

SHIPMENTS



OTHER PAPER

PRODUCTION



1987 •••••••• 1988 ▬ ▬ ▬ 1989 ▬▬▬▬

WOOD PULP STATISTICS
(Thousands of Tons)

		YEAR 1987	YEAR 1988	FEBRUARY 1989	MARCH 1989	APRIL 1989	MAY 1989	Annual Rate Y-T-D 1989	% Change from same Period Last Year
TOTAL WOOD PULP						R	P		
Total Wood Pulp	- Production	59,552	61,161	4,821	5,307	5,193	5,087	62,097	1.9
	- Imports	4,850	5,038 A	395	466	418	420	5,114	1.8
	- Exports	4,889	5,528	507	623	525	504	6,277	18.3
	- New Supply	59,513	60,671	4,709	5,150	5,086	5,003	60,935	0.4
Dissolving Pulp	- Production	1,312	1,367	102	142	106	109	1,406	8.2
	- Imports	198	248	22	37	24	15	283	13.8
	- Exports	752	865	69	36	68	66	823	4.4
	- New Supply	757	751	56	93	63	59	865	14.0
Paper Grades Chemical Pulp	- Production	48,293	49,493	3,935	4,286	4,209	4,125	50,347	2.1
	- Imports	4,456	4,419 A	348	406	363	381	4,538	3.0
	- Exports	4,111	4,612	432	530	451	435	5,380	20.6
	- New Supply	48,637	49,300	3,851	4,162	4,121	4,071	49,505	0.5
Groundwood and Thermo-Mech.	- Production	5,702	5,943	438	502	512	497	5,924	-1.4
	- Imports	197	371 A	24	23	31	23	293	-20.6
	- Exports	26	51	6	7	6	3	73	28.5
	- New Supply	5,872	6,263	456	517	537	517	6,144	-2.8
Semi-Chemical	- Production	4,246	4,358	346	378	366	356	4,420	1.7
	- Imports								
	- Exports								
	- New Supply	4,246	4,358	346	378	366	356	4,420	1.7
MARKET WOOD PULP									
Total Market Wood Pulp	- Production	8,114	8,565	687	772	718	720	8,817	4.8
	- Imports	3,235	3,471	253	304	268	307	3,391	-0.1
	- Exports	4,820	5,071	407	541	423	446	5,322	8.2
	- New Supply	6,529	6,966	534	534	563	581	6,886	0.0
Dissolving Pulp	- Production	1,308	1,365	102	141	105	108	1,399	7.8
	- Imports	154	206	17	29	21	10	201	-5.4
	- Exports	775	798	64	92	63	58	798	7.9
	- New Supply	687	774	54	78	63	60	802	4.2
Paper Grades Chemical Pulp	- Production	6,806	7,200	586	631	613	612	7,418	4.2
	- Imports	2,975	3,126	234	269	238	290	3,120	3.9
	- Exports	4,045	4,273	343	449	360	368	4,524	8.2
	- New Supply	5,736	6,052	476	451	491	514	6,015	1.3
Groundwood Pulp and All Other	- Production	0	0	0	0	0	0	0	0.0
	- Imports RS	106	139	3	6	9	7	69	-61.5
	- Exports	0	0	0	0	0	0	0	0.0
	- New Supply	106	139	3	6	9	7	69	-61.5

SOURCES: Total Wood Pulp Production & Market Wood Pulp Production, Imports & Exports - Pulp Division, Pulp, Materials and Technology Group, API. Total Wood Pulp Imports & Exports - Department of Commerce.
NOTE: A - API shifted Import data from January 1989 to December 1988 to compensate for misallocation of reported data.

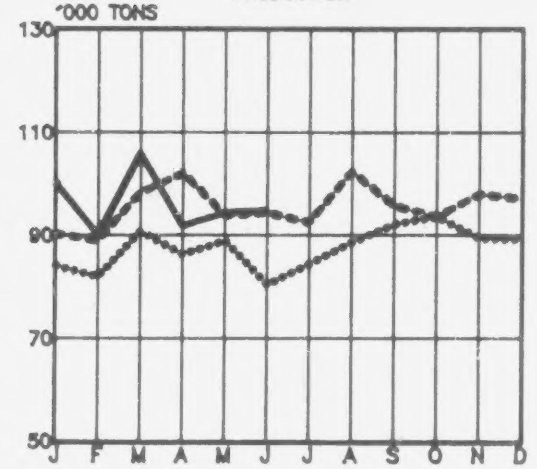
FIBROUS RAW MATERIALS
(Thousands of tons,

	YEAR 1987	YEAR 1988	FEBRUARY 1989	MARCH 1989	APRIL 1989	MAY 1989	Annual Rate Y-T-D 1989	% Change from same Period Last Year
CONSUMPTION AT PAPER & PAPERBOARD MILLS					R	P		
Total	77,468	79,707	6,281	6,884	6,686	6,697	80,395	0.9
Total Wood Pulp	59,474	60,847	4,783	5,269	5,131	5,073	61,500	1.1
Waste Paper	17,993	18,860	1,498	1,615	1,555	1,624	18,895	0.0
INVENTORIES								
Chemical Paper Grade Market Pulp								
Producers' Own-Use Inventories	170	172	178	179	190	162	162	1.4
Producers' Market Inventories	224	261	354	279	306	305	305	25.4
Consumers' Purchased Inventories #	529	622	608	592	596	628	628	22.6
Waste Paper at Paper & Bd. Mills	902	1,029	988	1,012	1,024	1,024	1,024	24.8
Days of Supply at Pulp Mills of Chemical Paper Grade Mkt Pulp	12	14	18	13	15	15	15	15.4

SOURCES: Wood Pulp Data, Pulp Division, Pulp, Materials and Technology Group, API. Waste Paper Data, Paper Recycling Committee, API. # Includes all grades of wood pulp.
P - Preliminary; R - Revised; (0) - Indicates zero to five-hundred short tons RS - 1988 Revised Series

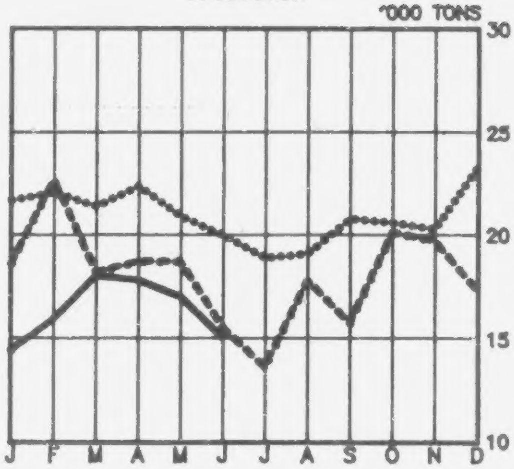
BLEACHED BRISTOLS

PRODUCTION



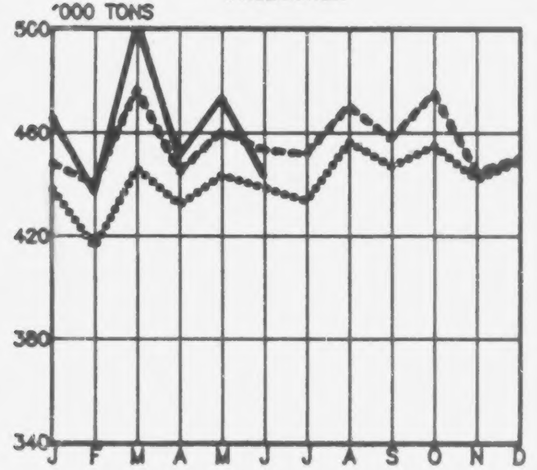
THIN PAPER

PRODUCTION



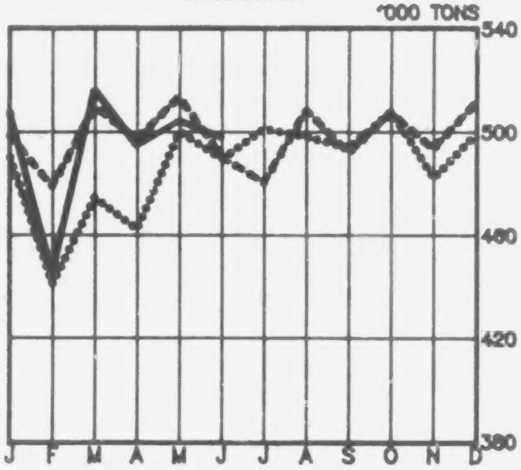
TISSUE PAPER

PRODUCTION



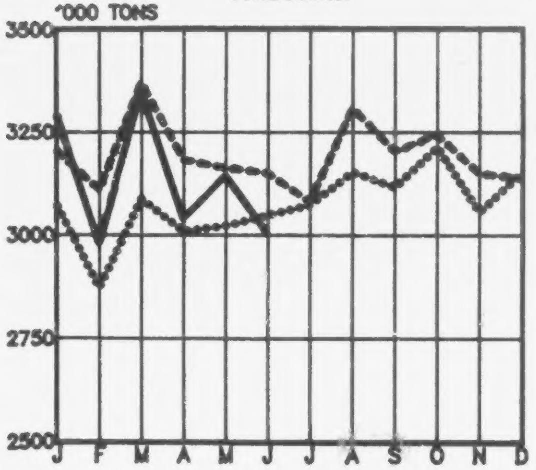
NEWSPRINT

PRODUCTION



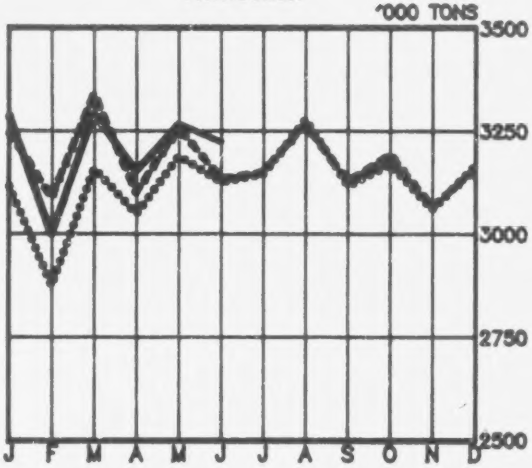
TOTAL PAPER

PRODUCTION



TOTAL PAPERBOARD

PRODUCTION



1987 ········ 1988 - - - - - 1989 ———

FIBROUS RAW MATERIALS

(Thousands of Standard (128 cubic foot) Cords)

		YEAR 1987	1988	FEBRUARY 1989	MARCH 1989	APRIL 1989	MAY 1989	Annual Rate Y-T-D 1989	% Change From Same Period Last Year
PULPWOOD									
Total U.S.	- Total Receipts	94,312	95,537	7,748	8,035	7,858	8,005	96,206	1.4
	- Total Consumpt	93,946	95,497	7,837	8,169	8,040	8,112	97,238	1.3
	- Residues *	32,899	33,186	2,746	2,776	2,761	2,867	33,706	0.7
	- Inventories	5,096	4,888	4,701	4,490	4,402	4,320	4,320	-2.3
So. Atlantic	- Total Receipts	31,147	31,582	2,542	2,558	2,670	2,646	31,634	1.4
	- Total Consumpt	30,915	31,567	2,623	2,660	2,719	2,646	32,186	2.3
	- Residues *	9,553	9,897	874	768	812	779	9,823	-2.5
	- Inventories	1,211	1,200	1,115	1,020	964	943	943	-9.4
Northeast	- Total Receipts	6,941	7,187	656	628	530	502	7,234	6.5
	- Total Consumpt	7,109	7,216	586	624	643	582	7,342	-3.0
	- Residues *	1,543	1,664	168	150	142	129	1,733	5.7
	- Inventories	594	572	685	667	533	418	418	4.0
South Central	- Total Receipts	33,650	33,751	2,628	2,989	2,829	2,958	34,322	2.7
	- Total Consumpt	33,059	33,646	2,743	3,032	2,750	3,025	34,728	3.4
	- Residues *	9,992	9,890	737	898	810	944	10,243	4.7
	- Inventories	1,294	1,160	953	974	1,061	986	986	-3.1
North Central	- Total Receipts	6,552	6,865	631	543	437	524	6,780	-5.0
	- Total Consumpt	6,764	6,929	561	576	588	599	7,020	-2.4
	- Residues *	1,263	1,334	119	136	107	125	1,442	3.8
	- Inventories	830	839	979	870	846	786	786	-3.9
West	- Total Receipts	16,022	16,152	1,291	1,317	1,392	1,375	16,236	-0.5
	- Total Consumpt	16,099	16,139	1,324	1,277	1,340	1,260	15,962	-1.5
	- Residues *	10,548	10,401	848	824	890	890	10,464	-1.0
	- Inventories	1,167	1,117	969	959	998	1,187	1,187	4.0

* - Consumption of Residues in Cord Equivalents.   SOURCE: American Pulpwood Association   24-Jul-89

UNITED STATES TRADE WITH CANADA

IMPORTS FROM CANADA

	YEAR 1988 Tons	1988 ($000's)	APRIL 1989 Tons	APRIL 1989 ($000)	MAY 1989 Tons	MAY 1989 ($000)	Annual Rate Y-T-D 1989 Tons	% Change From same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	39,337	4,195	0	0	0	0	120,979	237.2
Pulpwood chips	876,038	35,184	73,429	3,230	59,158	1,849	982,782	17.7
Wood Pulp, Total	A 4,340,245	2,282,329	358,018	212,541	337,298	202,954	4,459,674	3.9
Waste Fibrous Materials, Total	227,004	48,450	15,829	3,151	11,195	1,865	185,134	-26.0
Paper, Board & Products, Total	A 10,497,185	5,715,612	897,394	508,977	968,348	537,179	10,956,929	1.2
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	A 10,348,278	5,458,084	885,684	463,300	955,901	512,299	10,774,747	0.9
Paper, Paperboard & Products	A 10,283,277	5,649,813	887,003	505,949	957,741	534,291	10,770,174	1.3
Paper & Paperboard, Only	A 10,134,369	5,392,286	875,292	480,271	945,293	509,411	10,587,992	1.0
Paper, Total	A 9,869,253	5,295,796	842,050	467,407	902,810	492,296	10,182,657	-0.4
Newsprint	A 8,284,709	4,320,023	667,129	351,849	722,824	371,306	8,053,409	-6.7
Printing, Writing & Rel. Pap.	A 1,304,003	807,306	152,886	99,898	153,440	102,014	1,8[illegible]6,776	40.5
Pack. & Ind. Conv. Paper	227,493	120,765	15,413	8,499	18,579	10,279	2[illegible],956	-8.8
Special Industrial Paper	4,767	9,106	2,652	3,632	3,833	5,000	37,897	721.1
Tissue Paper	48,281	38,596	3,970	3,530	4,135	3,697	55,620	7.5
Paperboard, Total	265,116	96,490	33,243	12,865	42,483	17,114	405,335	53.7
Convtd Paper&Paperbd Products	148,908	257,528	11,710	25,677	12,448	24,880	182,182	23.4
Wet Machine Board	2,939	2,120	46	45	66	50	324	-89.8
Construction Paper & Board	210,970	63,679	10,346	2,984	10,542	2,838	186,431	-3.2

NOTE: A - API shifted Import data from January 1989 to December 1988 to compensate for misallocation of reported data.

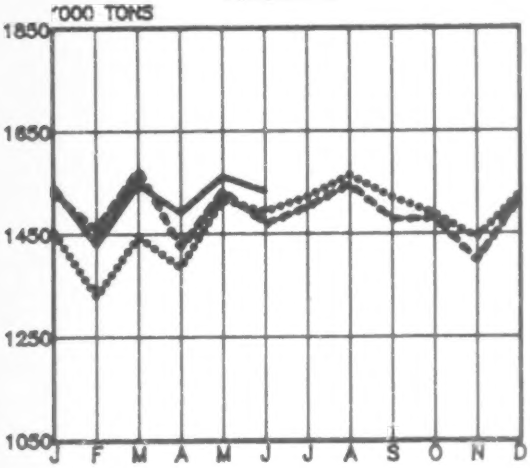
EXPORTS TO CANADA

Pulpwood, Roundwood (in cords of 128 cubic feet)	14,180	836	6,047	90	3,527	208	23,038	24.5
Pulpwood chips	33,040	1,739	1,822	84	2,169	89	21,178	-59.6
Wood Pulp, Total	280,074	101,214	24,957	10,843	17,949	7,830	282,370	4.7
Cotton Pulp & Other Pulp	84,891	24,062	476	364	517	394	7,111	-91.9
Waste Paper	331,999	38,199	26,322	3,284	30,424	3,172	325,704	6.0
Paper, Board & Products, Total	1,050,117	715,960	86,[illegible]30	63,306	93,786	69,595	938,[illegible]95	-17.0
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	773,973	464,416	63,768	41,591	63,128	45,567	648,307	-23.2
Paper, Paperboard & Products	1,013,157	699,127	84,899	62,580	92,764	69,096	920,433	-16.0
Paper & Paperboard, Only	737,013	447,583	61,737	40,865	62,106	45,068	630,644	-22.1
Paper, Total	340,156	293,175	29,558	27,838	34,575	34,210	332,890	-11.6
Newsprint	5,806	5,304	708	569	615	272	6,257	88.2
Printing, Writing & Rel. Pap.	166,667	160,007	18,086	17,667	22,157	22,271	206,878	16.4
Pack. & Ind. Conv. Paper	41,718	29,572	4,869	2,391	5,081	2,962	47,911	12.8
Special Industrial Paper	118,806	90,276	5,419	6,483	5,979	7,570	65,939	-55.3
Tissue Paper	7,160	8,016	477	728	743	1,135	5,905	9.5
Paperboard, Total	396,857	154,408	32,179	13,027	27,531	10,858	297,754	-31.3
Convtd Paper&Paperbd Products	276,145	251,544	23,161	21,715	30,658	24,028	289,789	1.0
Wet Machine Board	6,527	2,590	16	6	182	68	1,790	-72.5
Construction Paper & Board	30,433	14,243	2,015	720	841	431	15,873	-42.7

SOURCE: Bureau of Census, Department of Commerce .   E - Estimate of tonnage based on square foot data   24-Jul-89

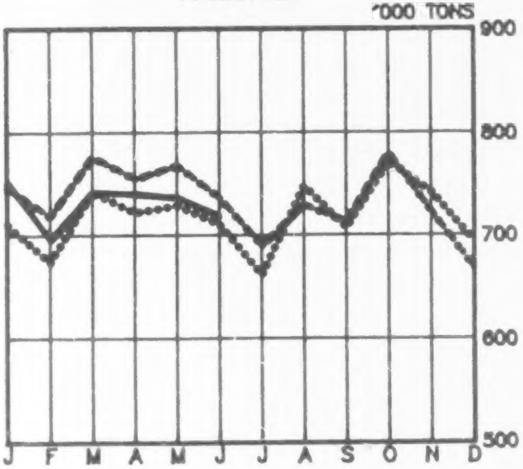
UNBLEACHED KRAFT LINERBOARD

PRODUCTION



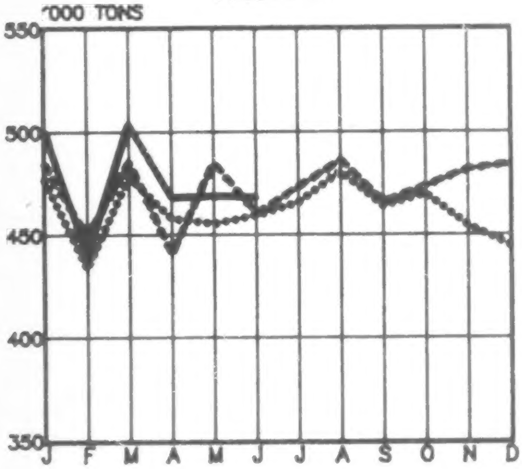
RECYCLED PAPERBOARD

PRODUCTION



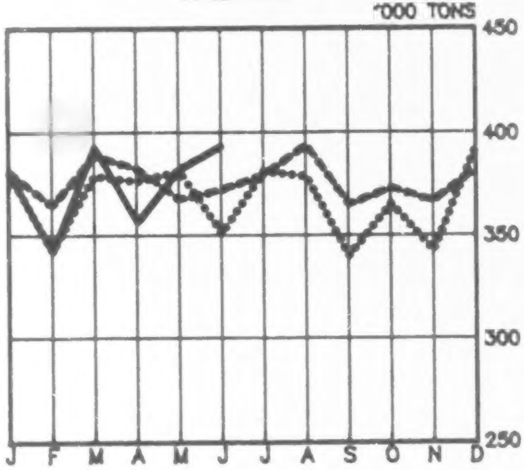
SEMICHEMICAL PAPERBOARD

PRODUCTION



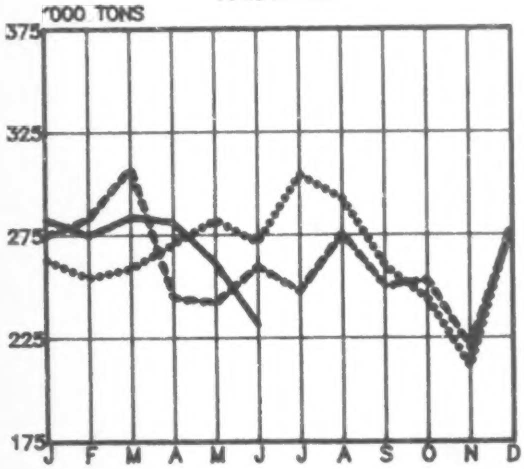
SOLID BLEACHED PAPERBOARD

PRODUCTION



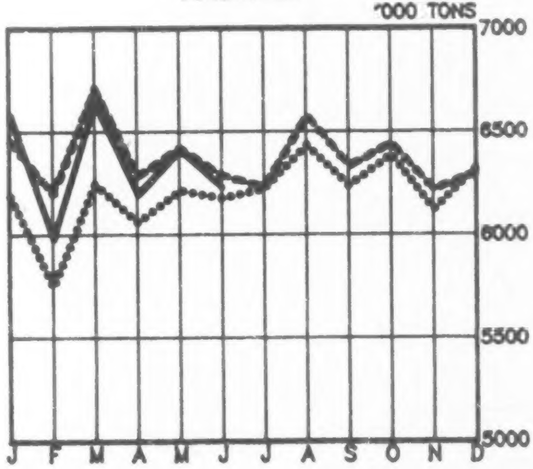
PAPERBOARD FOR EXPORT

PRODUCTION



TOTAL PAPER AND PAPERBOARD

PRODUCTION



1987 ········ 1988 ━ ━ ━ 1989 ━━━

I M P O R T S

	YEAR 1988		1989		1989		(1) Annual Rate YTD 1989	% Change from same Period Last Year
	Tons	$000	APRIL Tons	APRIL $000	MAY Tons	MAY $000	Tons	
• • • •	• •	•	•	• •	•	•	•	•
Pulpwood Roundwood (cords)	39,515	4,200	0	0	0	0	120,979	237.2
Pulpwood Chips	888,636	35,553	73,473	3,233	64,551	2,008	1,002,186	18.5
Total All Imports A	18,402,259	10,725,164	1,495,075	938,098	1,593,149	953,916	18,479,704	-0.1
Wood Pulp Total A	5,038,158	2,663,424	418,213	249,482	419,393	227,482	5.114,449	1.8
Waste Paper	161,367	27,361	16,546	3,266	11,461	1,937	199,451	12.7
Other Fibrous Materials	92,505	32,331	1,155	1,105	1,227	982	15,321	-83.7
Paper Board & Products Total A	13,110,229	8,002,047	1,059,161	684,245	1,160,569	723,515	13,141,992	-0.4
Paper Paperboard Wet Machine Bd. & Construction Paper & Board A	12,679,974	6,989,006	1,018,713	599,350	1,104,745	639,479	12,544,826	-2.0
Paper Ppbd & Prds ex Cnst&WMB A	12,787,784	7,893,637	1,045,160	680,049	1,146,896	719,471	12,912,924	0.1
Paper & Paperboard Only A	12,357,530	6,880,596	1,004,711	595,153	1,091,072	635,435	12,315,759	-1.5
Paper Total A	12,016,519	6,749,882	965,761	576,463	1,043,215	612,074	11,848,115	-2.6
Newsprint A	8,801,503	4,569,853	674,252	355,863	742,098	380,234	8,241,127	-7.9
Printing & Writing A	2,812,259	1,899,745	254,859	182,236	258,616	189,574	3,100,245	9.8
Uncoated Groundwood	1,362,642	792,881	136,292	80,982	125,670	76.199	1,594,186	9.4
Coated Print.& Impreg. Pap. A	797,765	641,466	62,777	52,008	79,662	65,132	751,250	0.7
Uncoated Free Sheet A	591,830	414,326	44,717	36,489	41,782	34,875	600,397	8.1
Uncoated Book A	258,146	175,746	N.L.R.	N.L R.	N.L.R.	N.L.R.	N.L.R.	N.L.R.
Writing and Similar Paper A	333,683	238,580	44,717	36,489	41,782	34,875	600,397	84.2
Thin (except Cigarette)	55,774	48,804	5,643	6,782	6,807	7,799	91,978	46.8
Bristols	4,247	2,269	5,430	5,974	4,695	5,570	62,434	7090.2
Total Pkg & Other Paper	343,196	231,796	26,868	29,434	33,809	34,390	392,787	20.5
Unbleached Kraft Paper	161,708	76,116	16,153	7,888	20,099	9,710	238,208	40.6
Other Pkg. & Indust. Paper	181,488	155,680	10,715	21,546	13,710	24,680	154,578	-1.3
Tissue	59,561	48,488	9,784	8,929	8,692	7,875	113,957	63.0
Paperboard, Total	341,011	130,714	38,950	18,691	47,857	23,361	467,644	35.6
Test or Containerboard	85,682	36,145	1,881	780	8,864	3,299	69,628	-3.5
Semi-Chemical Corrugating	142,490	43,596	12,855	4,112	12,250	4,045	132,385	-13.4
Other Paperboard	112,839	50,972	24,213	13,798	26,743	16,017	265,631	121.7
Convtd Paper&Paperbd Products	430,255	1,013,041	40,449	84,896	55,824	84,036	597,166	50.0
Paper Products, Total	393,089	944,974	31,464	69,452	47,885	69,920	489,774	35.5
Paperboard Products, Total	37,166	68,067	8,985	15,443	7,939	14,116	107,392	194.1
Wet machine Board	4,239	3,780	73	92	71	61	540	-87.8
Construction Paper & Board	318,206	104,630	13,928	4,105	13,602	3,984	228,527	-19.9
Notes								
Other: No Weight Avail. ($000)		177,686		9,204		12,085	117,365	-32.3
Total Imports Incl. Other($000)		10,902,850		947,302		966,001	11,423,443	7.5

NOTE: A - API shifted Import data from January 1989 to December 1988 to compensate for misallocation of reported data.

E X P O R T S

							(1)	
Pulpwood, Roundwood (cords)	15,470	894	16,820	231	10,719	718	105,816	415.6
Pulpwood Chips	3,503,100	286,191	375,946	31,634	486,928	45,084	4,489,892	46.5
Total All Exports	17,061,208	7,467,363	1,546,102	726,088	1,675,922	761,467	18,936,657	14.5
Wood Pulp,Total	5,528,292	2,914,521	524,576	297,982	503,863	285,211	6,276,508	18.3
Cotton Pulp and Other Pulp	201,567	111,923	16,425	14,260	7,574	6,657	129,019	-41.5
Waste and Old Paper	5,640,118	688,258	512,583	63,189	571,248	72,926	6,139,381	15.8
Paper, Board & Products,Total	5,691,231	3,752,661	492,518	350,657	593,237	396,673	6,391,748	11.9
Paper,Paperboard,Wet Machine Bd. & Construction Paper & Board	4,876,563	2,701,405	408,224	244,917	493,010	285,056	5,344,298	9.2
Paper, Ppbd & Prod ex Cnst&WMB	5,559,356	3,683,601	488,784	349,217	591,181	395,675	6,355,926	13.9
Paper & Paperboard, Only	4,744,688	2,632,346	404,491	243,477	490,954	284,058	5,308,476	11.4
Paper, Total	1,102,490	988,031	108,274	103,833	142,974	123,886	1,460,597	38.1
Newsprint	427,296	295,474	42,068	25,364	54,783	31,416	630,634	92.2
Printing & Writing	287,208	313,047	36,023	36,906	47,077	46,697	452,188	54.1
Uncoated Groundwood	70,286	58,639	6,731	4,725	9,372	6,611	90,292	32.7
Clay Coated Paper	97,464	79,731	10,907	9,344	17,004	14,219	140,265	36.6
Uncoated Free Sheet	82,660	124,049	6,365	8,760	9,423	13,028	84,639	3.7
Other Printing & Writing	36,799	50,629	12,021	14,077	11,277	12,839	128,992	266.7
Total Pkg. & Other Paper	346,718	342,117	27,878	38,249	38,199	41,833	353,784	-6.0
Unbleached Kraft	110,075	54,975	8,725	4,395	9,359	4,924	114,332	12.3
Other Pkg. & Indust. Paper	236,643	287,142	19,153	33,854	28,840	36,909	239,452	-12.7
Tissue	41,268	37,393	2,304	3,315	2,915	3,940	23,991	-59.9
Paperboard, Total	3,642,198	1,644,314	296,217	139,645	347,980	160,172	3,847,880	3.7
Solid Wood Pulp	3,359,078	1,511,057	282,477	132,833	333,826	153,609	3,668,941	7.7
Total Linerboard	2,281,362	887,846	186,211	70,119	245,224	91,700	2,628,880	12.7
Bleached Kraft Linerboard	140,801	73,728	18,796	8,256	12,948	6,078	261,919	69.3
Unbleached Kraft Linerbd	2,140,562	814,119	167,415	61,862	232,276	85,623	2,366,961	8.7
Other Unbleached Kraft	292,437	102,638	23,835	10,827	20,097	9,493	238,719	-24.8
Other Bleached Kraft	742,918	502,513	69,189	50,467	66,895	50,829	774,587	10.3
Semi-Chemical Corrugating	42,360	18,060	3,242	1,421	1,610	1,587	26,756	-52.0
Recycled Paperboard	283,121	133,257	13,740	6,812	14,154	6,564	178,939	-40.5
Convtd Paper&Paperbd Products	814,668	1,051,256	84,293	105,740	100,227	111,617	1,047,449	28.6
Paper Products, Total	367,548	682,281	38,627	68,593	40,649	69,989	467,486	30.3
Paperboard Products, Total	447,121	368,975	45,666	37,147	59,579	41,628	579,963	27.3
Wet Machine Board	11,691	4,915	59	30	406	155	3,078	-75.6
Construction Paper & Board E	120,184	64,145	3,674	1,409	1,650	843	32,74[illegible]	-71.8
Notes								
Other: No Weight Avail. ($000)		9,170		1,810		2,095	17,714	112.7
Total Exports Incl. Other($000)		7,476,533		727,898		763,562	8,638,100	21.1

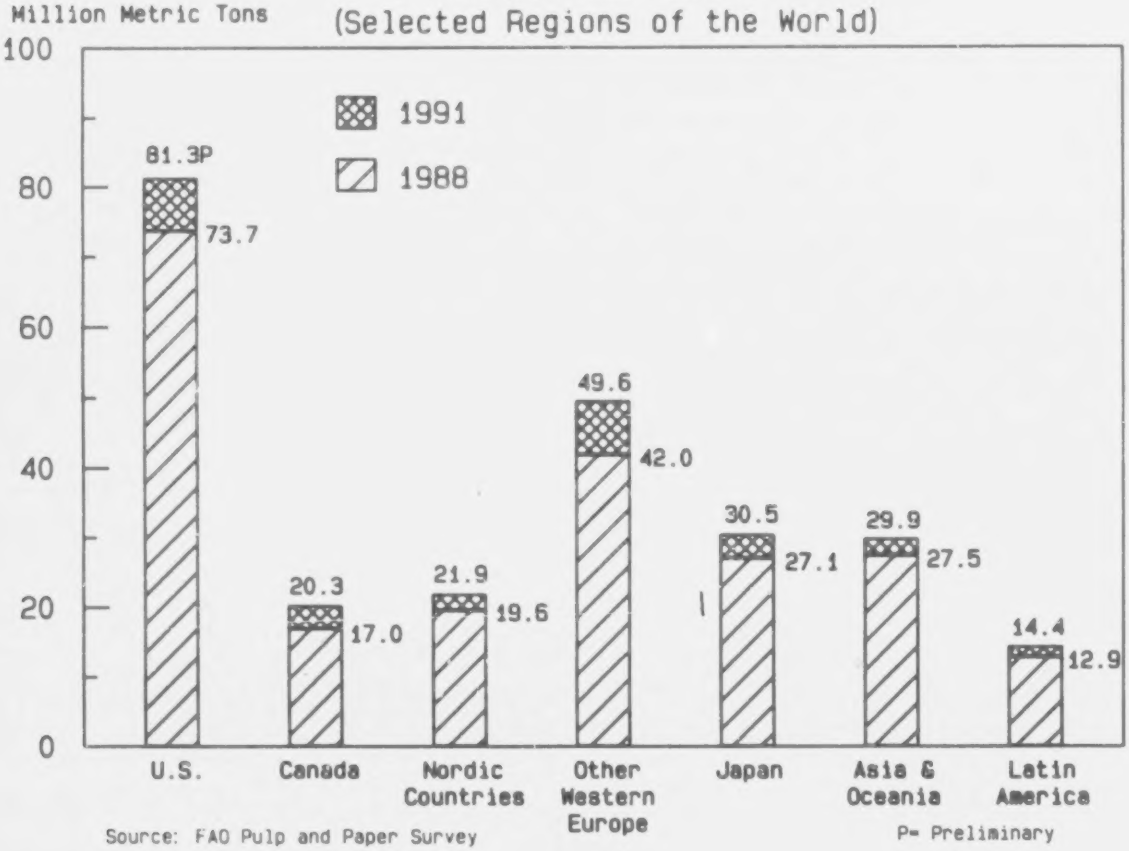
SOURCE: Bureau of Census, U.S. Department of Commerce. E - Incl. estim. of tonnage based on square foot data.
(1) Annual Rate Year-To-Date is in tons unless otherwise specified in item description. N.L.R. - No longer reported.

PRODUCER PRICE INDEXES
1982 = 100

	1987	1988	MARCH 1989	APRIL 1989	MAY 1989	JUNE 1989	Annual Rate Y-T-D 1989	% Change from same Period Last Year
Pulp, Paper and Products except Building Grades	114.3	124.8	132.0	132.7	133.3	133.1	132.0	8.0
Pulp Paper & Products, ex. Building Grades & ex Waste Paper *	113.2	123.8	131.6	132.3	132.9	132.7	131.5	8.7
Total Wood Pulp	111.5	136.7	153.4	155.7	158.4	158.3	154.9	18.7
Total Paper	111.5	123.2	130.7	131.3	131.0	131.0	130.5	8.4
Total Paper, exc. Newsprint	110.6	123.4	131.4	132.1	132.3	132.3	131.5	9.8
Newsprint	112.3	127.6	128.3	128.2	124.1	123.4	126.1	-1.3
Total Paperboard	118.1	133.2	141.6	143.8	143.5	141.3	141.1	8.0
Total Paper and Paperboard *	113.6	126.4	134.1	135.2	134.9	134.2	133.8	8.3
Converted Products	114.7	123.0	130.3	130.5	131.8	131.9	130.3	8.2
Waste Paper	181.4	183.6	158.2	159.1	158.2	157.7	158.2	-16.7
All Commodities	102.8	106.9	111.5	112.3	113.1	112.8	111.8	5.9
Industrial Commodities	102.6	106.3	110.6	111.7	112.4	112.3	111.1	5.5

SOURCE: Producer Price Indexes: Bureau of Labor Statistics, U.S. Department of Labor * Computed by API

PAPER AND PAPERBOARD CAPACITY
1988 and 1991
(Selected Regions of the World)



Source: FAO Pulp and Paper Survey

P= Preliminary

ago volume in the January-June 1989 period, more than offset the decline in shipments to the domestic market. Japan (with shipments from U.S. producers up 29%), Asia/Africa (up 11%) and Western Europe (up 8%) continue to play major roles in this export market. Latin America has been diminishing in importance and is now importing 35% less chemical paper grade market pulp from the U.S. than it did in the first half of last year.

The capacity utilization rate of U.S. chemical paper grade market pulp producers rebounded to 101% in June, after slipping to a revised rate of 96% in May, and is now closer to the higher rates observed in January and February of 103% and 102%, respectively. The six-month 1989 rate averaged a strong 99% of capacity.

Consumers' purchased pulp inventories jumped to 628,000 tons in May from April's 596,000 tons, reaching the upper end of their recent range. The May level was equivalent of 40 days of supply, the highest rate since April 1985.

WORLD PAPER AND PAPERBOARD CAPACITY OUTLOOK

World capacity to produce paper and paperboard is slated to increase by 28.6 million metric tons from 1988 levels to reach 271.2 million tons in 1991, according to this year's Food and Agriculture Organization (FAO) Capacity Survey. The anticipated growth in world paper and paperboard capacity averages 3.8% a year for the 1988-91 period, versus 3.4% a year during 1984-88.

7.6 million tons, or 26.6% of the total projected expansion, are slated for installation in the U.S. Additionally, the FAO Survey indicates that regional paper and paperboard capacity growth will be especially rapid in Canada, Western Europe, and Japan during the next three years. (See graph on page 10.) Canadian paper and paperboard capacity is projected to increase at a 6.0% average annual rate from 1988 to 1991, which will lift Canada's share of world paper and paperboard capacity from 7.0% to 7.5%. The planned increases in Canadian capacity are mostly in the newsprint and printing-writing paper grades.

Paper and paperboard capacity in Western Europe (excluding the Nordic nations) will increase from 42.0 million metric tons in 1988 to 49.6 million tons in 1991, for an average annual growth rate of 5.7%. Capacity expansion in the region will be focussed in the printing-writing grades (9.1% a year, 1988-91), newsprint (4.2% a year), and linerboard (4.0% a year). Significant recycled linerboard capacity expansions are planned for France, Germany, and Spain. On the other hand, very little new linerboard capacity is in the offing for the Nordic countries.

Japan's paper and paperboard capacity is projected to increase 3.9% a year during 1988-91, representing a slight acceleration from the 3.7% rate of growth recorded during the previous four years. Japan accounted for 11.2% of world paper and paperboard capacity in 1988, which was second only to the 30% share held by the U.S.

The two major grades expected to experience the most rapid growth during the next two years are printing-writing papers and newsprint. World capacity to produce printing-writing papers is projected to expand at an average rate of 4.9% a year from 1988 to 1991, versus 5.3% a year during the 1984-88 period. The FAO Survey indicates that Canada will expand its printing-writing paper capacity from 3.0 million metric tons in 1988 to 4.3 million tons in 1991, which corresponds to an average annual growth rate of 12.2%. By comparison, U.S. printing-writing paper capacity is slated to increase 4.1% a year during the 1988-91 period, the same rate of increase recorded during the previous four years.

The FAO Survey places 1988-91 global newsprint capacity growth at 4.7% a year, a marked acceleration from the 2.4% rate of growth that obtained from 1984 to 1988. Growth of total U.S./Canadian newsprint capacity will accelerate from 0.8% annually during the 1984 to 1988 period to 4.9% a year in the 1988-91 time frame.

World linerboard capacity, both kraft and recycled, is scheduled to grow at an average rate of 3.5% a year from 1988 to 1991, versus 3.9% a year during the prior four years. The Nordic nations increased their linerboard capacity at a 3.6% annual rate from 1984 to 1988, but the region's pace of linerboard capacity expansion will slow to 1.2% a year (1988-91), according to the FAO. On the other hand, growth in Latin America is anticipated to accelerate from 2.5% a year (1984-88) to 5.8% a year (1988-91). Both Mexico and Brazil are slated to add significant linerboard capacity during the next few years.

Worldwide capacity to produce folding boxboard will grow 2.8% a year (1988-91), according to the FAO Survey, down from 3.4% a year during the preceding four years. However, U.S. folding boxboard capacity is projected to grow 2.2% a year from 1988 to 1991, virtually matching its growth pace of the previous four years.

The API International Department has a limited number of copies of the 1989 edition of the U.N. Food and Agriculture Organization's annual report on World Pulp and Paper Capacities and companion reports on Estimated Production and Mill Expansions. API members can obtain the three reports from the International Department (212-340-0641) for $10.00, to cover shipping costs from FAO, Rome.

INDUSTRY FACT SHEET

AMERICAN PAPER INSTITUTE, INC.
260 Madison Avenue
New York, New York 10016

July 28, 1989

PRODUCTION (000 TONS)

*	(P) JUNE 1989	* MAY 1989	* JUNE 1988	* FIRST 6 MONTHS 1989	* 1988	% CHANGE YR TO DATE 1989/1988
PAPER GRADES						
Newsprint	498	504	490	2,966	2,989	-0.8
Printing & Writing	1,660	1,782	1,797	10,624	10,919	-2.7
Uncoated Groundwood (s)	132	142	123	852	790	8.0
Coated Paper (s)	554	577	618	3,461	3,708	-6.6
Uncoated Free Sheet Paper (s)	853	937	932	5,553	5,656	-1.8
Thin Paper (s)	15	17	16	98	112	-12.8
Cotton Fiber Paper (s)	13	14	14	82	85	-2.6
Bleached Bristols (s)	95	95	95	578	569	1.5
Tissue Paper	466	474	454	2,796	2,725	2.6
Total Pkg & Other Paper	401	384	410	2,434	2,543	-4.3
Unbl. Kraft Paper (s)	248	229	244	1,466	1,527	-4.0
Other Paper	154	155	166	968	1,016	-4.7
TOTAL PAPER	3,026	3,144	3,150	18,820	19,176	-1.9
PAPERBOARD GRADES						
Unbleached Kraft Paperboard	1,644	1,680	1,566	9,744	9,605	1.4
Unbleached Kraft Linerboard	1,531	1,560	1,468	9,092	8,984	1.2
Other Unbl. Kraft Paperboard	113	121	98	652	621	5.0
Semichemical Paperboard	468	468	460	2,846	2,800	1.6
Bleached Paperboard	393	382	372	2,243	2,254	-0.5
Recycled Paperboard	717	735	735	4,375	4,494	-2.7
TOTAL PAPERBOARD	3,222	3,265	3,132	19,208	19,153	0.3
TOTAL PAPER AND PAPERBOARD	6,247	6,409	6,283	38,028	38,329	-0.8

WOOD PULP (ALL GRADES)	MAY 1989	APRIL 1989	MAY 1988	FIRST 5 MONTHS 1989	1988	% Change 89/88
Dissolving & Special Alpha	109	106	113	586	541	8.2
Bleached Sulfite) Unbleached Sulfite)	128	134	126	651	638	2.1
Bleached & Semi-Bl. Sulfate	2,192	2,289	2,070	11,315	10,821	4.6
Unbleached Sulfate	1,805	1,786	1,791	9,012	9,089	-0.8
Semichemical	356	366	373	1,842	1,811	1.7
Groundwood & Thermomechanical	497	512	507	2,468	2,502	-1.4
TOTAL PULP DIVISION DATA	5,087	5,193	4,979	25,874	25,402	1.9

(s) - Shipments
P - Preliminary

JULY 31, 1989

	Full Year		INDUSTRY DATA 1988 - 1989	R	P	Ann. Rate Year - To - Date	% From Same Pd. Last Year
PAPER AND PAPERBOARD -- Tons (000)	1987	1988	April	May	June	1989	
Total Production (API)........: excluding :...	74,317	76,403	6,189	6,409	6,247	76,057	-0.8
Total Seasonally Adjusted....:construction:...			6,292	6,319	6,286	76,318	-0.5
Imports (including Products).: and wet :...E	12,528	12,788	1,045	1,147	1,070	12,901	0.3
Exports (including Products).: machine :...E	5,197	5,559	489	591	510	6,317	12.8
Apparent Consumption.........: grades :...	81,648 a	83,631 b	6,848	6,875	6,846	82,641 c	-1.6
Paper Production % Tonnage Capacity...........	93.7 g	95.1	90.4	89.8	89.3	92.5	-
Paperboard Production % Tonnage Capacity......	96.8 g	96.4	94.0	93.5	95.3	94.7	-
			March	April	May		
IMPORTS.....:Including Construction and :...	12,837	13,110	1,143	1,059	1,161	13,142	-0.4
EXPORTS.....: WMB Grades (excl. HPB) :...	5,304	5,691	609	493	593	6,392	11.9
MARKET WOOD PULP PRODUCTION - Tons (000)........	8,114	8,565	772	718	720	8,817	4.8
TOTAL WOOD PULP PRODUCTION - Tons (000).........	59,552	61,161	5,307	5,193	5,087	62,097	1.9
WOOD PULP IMPORTS - TONS (000)..................	4,850	5,038	466	418	420	5,114	1.8
WOOD PULP EXPORTS - TONS (000)..................	4,889	5,528	623	525	504	6,277	18.3
RAW MATERIALS CONSUMPTION - Tons (000)							
..PAPER AND BOARD MILLS : excluding :			March	April	May		
Wood Pulp.............:consumption for:.....	59,475	60,847	5,269	5,131	5,073	61,500	1.1
Waste Paper...........:construction & :.....	17,993	18,860	1,615	1,555	1,624	18,895	0.0
TOTAL..........: WMB grades :.....	77,468	79,707	6,884	6,686	6,697	80,395	0.9
PULPWOOD CONSUMPTION Cords(000)Amer.Pulpwd. Assn	93,946	95,497	8,169	8,040	8,112	97,238	1.3
EMPLOYMENT (000)			April	May	June		
Paper and Allied Products..........Total......	680.1	692.6	692.1	694.5	703.1	694.3	0.8
Pulp, Paper and Board Mills........Total.....E	244.9	245.5	244.3	245.8	249.6	245.8	0.2
AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS ($)			April	May	June		
Paper and Allied Products......................	11.43	11.66	11.83	11.89	11.93	11.84	2.2
Pulp, Paper Mills.........................E	14.01	14.31	14.58	14.63	14.65	14.56	2.7
Paperboard Mills..........................E	14.30	14.49	14.51	14.66	14.69	14.58	1.1
CAPITAL EXPENDITURES, PAPER & ALLIED PRODUCTS			1988 Q4	1989 Q1	1989 Q2		
(Rept. by US Dept. of Com., Ann. Rates. Bill.$)*	9.01	11.23	12.53	14.21	14.86	15.12 Y	34.6
INDEX OF OUTPUT PER MAN-HOUR (1977=100)..........			April	May	June		
:IN PULP, PAPER :...Production Workers..........	145.0	148.7	149.0	147.9	145.1	149.7	0.4
:AND BOARD MILLS:...All Employees...............	141.8	146.1	145.4	144.8	142.2	146.3	-0.2
PAPER AND ALLIED PRODUCTS (Million $)			March	April	May		
Industry Shipments (Dept. of Commerce)*........	118,855	127,718	10,896	10,927	10,922	130,764	2.1
Pulp, Paper and Paperboard*...................	51,518	57,177	4,812	4,871	4,923	58,550	1.3
Inventories (End of Period) - Total Industry*..	11,284	12,065	11,905	11,943	12,036	12,036	5.7
Pulp, Paper and Paperboard*...................	4,266	4,325	4,546	4,610	4,676	4,676	18.2
			1988 Q3	1988 Q4	1989 Q1		
Sales (Corporations Only)......................	95,576	107,221 RS	27,394	26,990	27,281	109,124	6.7
Earnings (Corporations Only)...................	5,520	8,081 RS	2,227	1,911	1,979	7,916	13.4
Depreciation (Corporations Only)...............	4,279	4,625 RS	1,163	1,167	1,187	4,748	1.5
Net Worth (Corporations Only)..................	39,217	42,340 RS	43,022	42,940	44,093	44,093	9.6
PRICE INDEXES (Bureau of Labor Stats)1982=100			April	May	June		
Pulp, Paper & Products, ex. Building Grades....	114.3	124.7	132.7	133.3	133.1	132.0	8.1
Wood Pulp......................................	111.6	136.7	155.7	158.4	158.3	154.9	18.6
Waste Paper....................................	181.4	183.5	159.1	158.2	157.7	158.2	-16.7
Paper..	111.5	123.2	131.3	131.0	131.0	130.5	9.4
Paperboard.....................................	118.1	133.2	143.8	143.5	141.3	141.1	6.0
PAPER DEMAND (INDEXED: 1977=100)			April	May	June		
Total Paper Production *......................	133.4	138.2	132.4	136.6	132.0	136.2	-1.6
Paper New Supply *............................	140.2	144.3	137.4	142.8	137.4	141.1	-2.6
Demand Indicators - (Weighted Average) *.....	154.5	163.7	174.7	174.6	175.4	173.5	7.8
Production of Nondurable Goods *...(21.2%).	136.8	143.9	149.2	149.2	149.3	148.8	4.9
Disposable Income ....*.(23.9%)	130.0	134.9	139.0	139.5	140.1	139.5	4.4
Total Printing and Publishing *...(54.9%).	172.0	183.8	200.0	199.6	200.9	197.8	9.7
Trend Factor	----------	----------	------- Not Available		----------	----------	----------
PAPERBOARD DEMAND (INDEXED: 1977=100)							
Total Paperboard Production *.................	129.2	131.6	134.1	131.2	134.3	133.2	0.5
Production for Domestic Use	126.1	129.0	130.7	128.5	133.1	130.4	0.6
Demand Indicators - (Weighted Average) *.....	125.9	132.5	137.1	136.7	136.3	136.5	4.6
Production of Consumer Goods *...(62.06%)	127.7	133.9	139.2	138.7	138.3	138.6	5.1
Production of Equipment *...(5.75%)	148.8	158.2	164.3	164.8	164.7	163.2	4.4
Production of Materials *...(32.19%)	118.3	125.3	128.1	127.8	127.3	127.7	3.6
Trend Factor	----------	----------	------- Not Available		----------	----------	----------
NEWSPRINT MARKETS			March	April	May		
Consumption by Publishers - Tons (000).........	13,583	13,597	1,162	1,164	1,150	13,363	-0.2
Newspaper Pub. and Printing Empl. Total(000)...	471	475	475	475	475	476	0.6
PRINTING AND FINE PAPER MARKETS							
MAGAZINE ADVERTISING PAGES (PIB, Inc.)...........	164,771	168,835	15,409	16,646	16,120	175,222	3.6
WHOLESALERS SALES AND INVENTORIES (Million $)							
Total Paper & Pap. Prdcts.,ex Wallpaper..Sales	44,741	52,377	4,907	4,482	4,651	54,590	9.9
Inventories (End of Period).	3,850	4,436	4,563	4,577	4,658	4,658	16.5
FIBRE BOX DATA (Fibre Box Association)			April	May	June		
Fibre Box Shipments (Million square feet).......	297,827	308,507	26,401	26,762	26,391	314,112	1.8
Container'bd Inventory at Mill & Plant(000Tons).	2,486	2,553	2,564	2,495	2,526	2,526	-3.5
RETAIL TRADE (Billion $)			April	May	June		
Total Retail Sales *..........................	1,511	1,612	141.4	141.3	140.8	1,685	6.1
Nondurable Goods Stores Sales *...............	950	998	87.5	87.6	87.8	1,044	6.9
GENERAL ECONOMIC DATA			April	May	June		
TOTAL INDUSTRIAL PRODUCTION (INDEX 1977 = 100)*..	129.8	137.2	141.6	141.4	141.1	141.0	4.3
PRODUCER PRICES(ALL COMMODITIES)(INDEX 1982=100).	102.8	106.9	112.3	113.1	112.8	111.8	5.9
CONSUMER PRICES (ALL ITEMS) (INDEX 1982-4=100)...	113.6	118.3	123.1	123.8	124.1	122.7	5.0
			March	April	May		
TOTAL CONSUMER CREDIT OUTSTANDING - (Billion $)..	618.2	671.4	682.1	693.7	691.4	691.4	10.3
GROSS NATIONAL PRODUCT - ANNUAL RATE (Billion$)..			1988 Q4	1989 Q1	1989 Q2		
G.N.P. or Expenditure - Current $..............	4,524	4,881	5,017	5,113	5,195	5,154	7.6
G.N.P. or Expenditure - 1982 $.................	3,854	4,024	4,069	4,107	4,124	4,115	3.1

lb/capita				
	Pap&Papbd	Othr	Totl	Popul(mil)
.a	- 669 +	17 =	686	243.9
.b	- 681 +	17 =	698	245.5
.c	- 673 +	17 =	690	245.5

.E - Last month estimated by API

E - Wood Pulp Production excludes def., explo. & scrngs.
g - Adjusted for holiday shutdowns
h - First 3 quarters, annual rate
Q - Quarter

R - Ravised
Y - Full year estim. by U.S. Dept. of Com.
RS - Revised Series
* - Seasonally Adjusted.

A2500-2

Paper Paperboard & Wood Pulp

MONTHLY STATISTICAL SUMMARY · Vol. 67 No. 8

AUGUST 1989

PAPER AND PAPERBOARD PRODUCTION CONTINUES STEADY

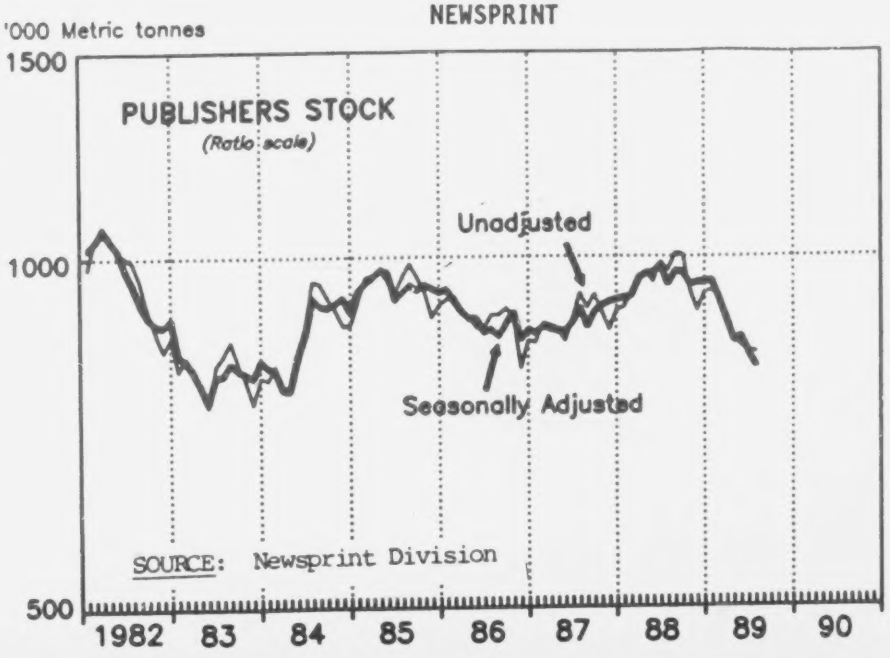
The seasonally adjusted rate of paper and paperboard production continues to hold near the flat trend it has been following for the past six quarters, easing in some months and strengthening in others. July 1989 was a month of moderate strength, as producers took less downtime for vacation, maintenance and repair than they did in July 1988 or July 1987. The July 1989 unadjusted production was above June's, but fell short of the May 1989 level, the last previous month with the same number of workdays.

The January-July 1989 seasonally adjusted rate moved up to 76.6 million tons per year, almost matching its comparable year-ago rate and slightly above the average for all of 1988. The strength was concentrated in paperboard production, with paper production 1.1% below its 1988 levels.

INVENTORIES

The flat trend of paper and paperboard production evident since the beginning of 1988 was in sharp contrast to the trend of total economic activity and the trends in its major markets. The first half 1989 inflation adjusted level of the gross national product (real GNP), for example, was 3.2% above its year-ago level. Similarly, the Federal Reserve Board's index of total industrial production gained 4.3%, with non-durable goods production, which includes important markets for paper and paperboard packaging products, up 4.9% and the printing and publishing component of the production index up 9.7%.

NEWSPRINT



SOURCE: Newsprint Division

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The stronger gains in market activity relative to the paper and paperboard production trends strongly suggest that the industrial users of paper and paperboard products are trying to trim their inventories to minimum levels. Confirmation of this is available in data on total printers inventories, expressed in constant dollars, where inventories at the end of June 1989 were 2% below the total held at the end of 1988 and 6% below their year-earlier rate.

The chart on the previous page shows that total inventories held by the American Newspaper Publisher Association's sample of newspaper publishers exhibited even sharper declines, with the mid-1989 total at its lowest point since mid-1984. As of the end of July 1989, these inventories totaled 887,000 short tons, equivalent to 41 days of supply. This compares to the year-ago level of 51 days of supply and the 49 days of supply as of the end of 1988.

Inventories of containerboard at box plants tell a similar story. These inventories have ranged between 2.3-2.6 million tons for the past 12 months. The August 1, 1989 level was equivalent to 5.1 weeks of supply, compared to 5.5 weeks of supply on hand one year ago.

Printing and writing papers, newsprint and containerboard production for domestic use account for roughly two-thirds of total paper and paperboard production. The inventory trends shown for these grades suggest that future paper and paperboard user requirements will come largely from new production. They also indicate that there is minimum likelihood of a paper industry inventory cycle in the near-term future.

PRODUCTION BY GRADE

Paper: The unadjusted paper production eased below the June level in July, while the 7-month 1989 total lagged its year-ago volume by 1.3%. There was relatively wide divergence among the various grades, with shipments of newsprint, uncoated groundwood papers and tissue papers above their year-ago levels, while output of the other major grades showed declines.

Shipments of coated papers were 5.8% below their corresponding 1988 levels in the first 7 months of 1989. However, new and unfilled orders for these papers have risen significantly during the past four months indicating strengthening demand. Year to date shipments of uncoated groundwood papers were 10% above last year's rate, while imports rose 12%.

Shipments of uncoated free sheet papers continued to follow the trend apparent in the first half of 1989. At an annual rate of 11.1 million tons, they lagged the January-July 1988 rate by 1.7%. Here, too, unfilled orders have been rising, indicating a strengthening in the rate of demand.

Total kraft packaging paper shipments in the first 7 months of 1989 are now reported to be 3.9% below their year-ago level. As a result of a re-evaluation of the market distribution of these papers, the Kraft and Packaging Paper Division shifted 1988 shipments of 237,000 tons of unbleached kraft papers and 67,000 tons of bleached kraft papers to the specialty packaging and special industrial grades. Earlier data back to 1974 have been similarly revised. The

Continued on Page 11

PAPER AND PAPERBOARD STATISTICS

PRODUCTION, SHIPMENTS AND ORDERS
(Thousands of Short Tons)

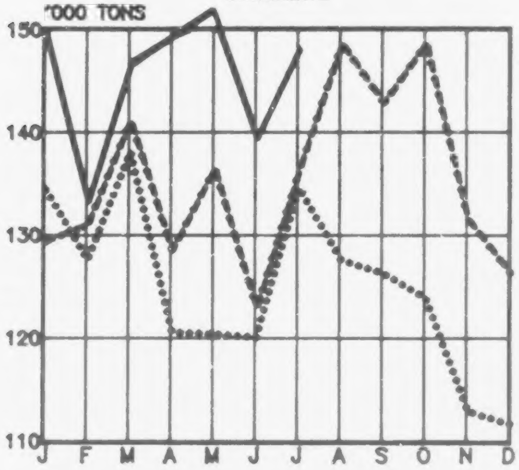
	YEAR		APRIL	MAY	JUNE	JULY	Annual Rate Y-T-D	% Change From same Period Last Year
	1987	1988	1989	1989	1989 (R)	1989 (P)	1989	
PAPER								
Newsprint - Production	5,842	5,982	495	504	498	522	5,979	0.5
- Shipments	5,854	5,969	487	510	498	521	5,930	0.6
Printing & Writing Sum	20,778	21,793	1,721	1,792	1,733	1,692	21,269	-2.1
Groundwood Paper - Shipments	1,498	1,624	149	151	139	148	1,744	9.9
- New Orders	1,542	1,654	134	154	149	151	1,748	9.1
-Unfilled Orders	166	208	178	186	200	193	193	4.2
Coated Papers - Shipments	6,860	7,359	544	577	577	568	6,946	-5.8
- New Orders	7,066	7,412	505	609	632	646	7,099	-5.2
- Unfilled Orders	708	751	647	694	737	825	825	10.6
Unctd Free Sheet - Shipments	10,966	11,277	905	938	886	852	11,052	-1.7
- New Orders	11,173	11,298	870	864	916	868	10,890	-4.2
- Unfilled Orders	772	790	651	584	603	607	607	-25.5
Thin Papers - Shipments	240	217	18	17	16	15	196	-9.3
Cotton Fiber Paper - Shipments	163	167	14	14	13	11	161	-3.1
Bleached Bristols - Production	1,052	1,150	92	95	102	96	1,170	3.2
Tissue Paper - Production	5,301	5,476	451	474	466	458	5,578	2.4
Total Packaging & Other Paper	4,955	5,047	375	384	401	390	4,842	-3.9
Unbl. Kraft Paper - Shipments RS	2,840	2,800	199	206	229	209	2,551	-5.1
Other Paper - Production RS	2,115	2,247	176	178	173	181	2,191	-2.4
TOTAL PAPER-Production-Unadj.	36,876	38,298	3,042	3,154	3,099	3,062	37,668	-1.3
-Production-S.A.			3,060	3,163	3,120	3,145	37,897	-1.1
PAPERBOARD - PRODUCTION								
Solid Wood Pulp Furnish	28,859	29,316	2,412	2,530	2,492	2,596	29,867	1.8
Total Unbl. Kraft Paperboard	18,898	19,140	1,589	1,680	1,644	1,685	19,592	1.9
Unbl. Kraft Linerboard (1)	17,683	17,897	1,490	1,560	1,531	1,566	18,271	1.7
Production for Export	2,303	2,296	217	191	160	213	2,409	2.6
Other Unbl. Kraft Paperboard	1,215	1,244	99	121	113	119	1,321	5.7
Semichemical Paperboard	5,536	5,664	468	468	468	479	5,701	1.6
Production for Export	193	136	9	8	11	10	141	8.4
Solid Bleached Paperboard	4,406	4,511	356	381	381	431	4,574	1.3
Production for Export	619	628	51	59	57	54	657	5.7
Recycled Paperboard	8,601	8,789	738	736	718	683	8,674	-2.4
Production for Export	75	72	3	3	3	10	48	-42.6
TOTAL PAPERBOARD-Prod.-Unadj.	37,442	38,105	3,150	3,266	3,211	3,279	38,541	0.8
- Containerboard Prod.(Dom. Use)	23,025	23,563	1,922	2,033	2,027	2,024	23,802	1.0
- Boxboard Prod.(Dom. Use)	6,969	7,066	582	598	603	633	7,181	1.7
- All Other P'bd Prod.(D.U.)	4,262	4,344	366	374	351	334	4,302	-2.6
- Total Paperbd Prod. for Export	3,190	3,132	281	261	230	288	3,255	2.3
TOTAL PAPERBOARD PROD.- S.A.			3,235	3,167	3,228	3,272	38,667	0.9
TOTAL PAPER AND PAPERBOARD								
Production - Unadj.	74,318	76,403	6,191	6,419	6,309	6,341	76,209	-0.2
Production - S.A.			6,295	6,329	6,348	6,417	76,565	-0.1

RS - Revised Series

(1)Includes all exports of kraft paperboard. R - Revised P - Preliminary S.A. - Seasonally Adjusted

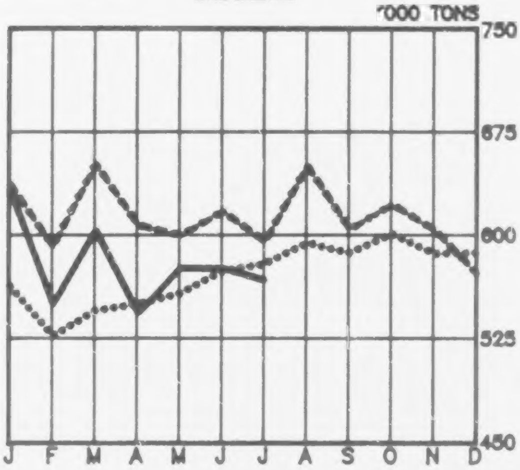
GROUNDWOOD PAPER, UNCOATED

SHIPMENTS



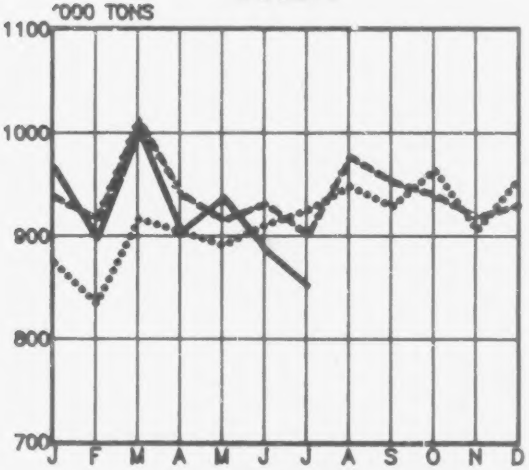
COATED PAPER

SHIPMENTS



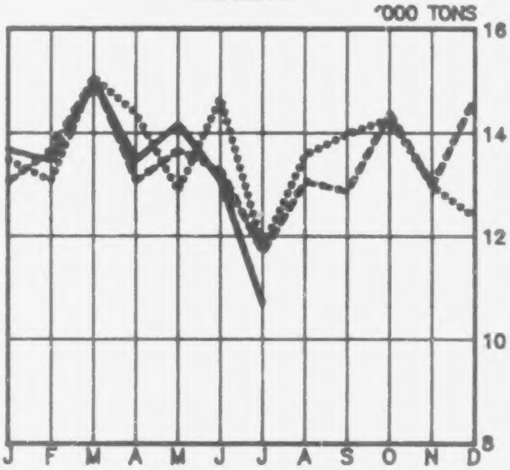
UNCOATED FREE SHEET PAPERS

SHIPMENTS



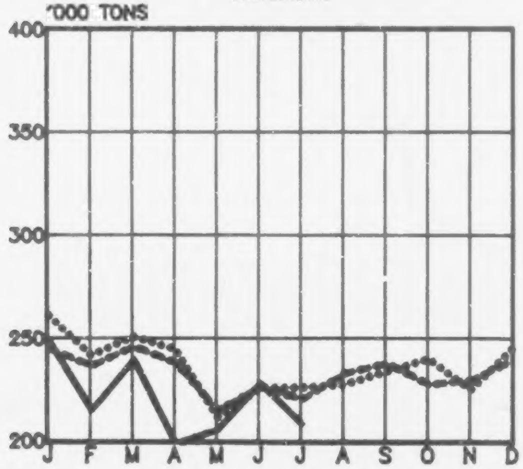
COTTON FIBER PAPER

SHIPMENTS



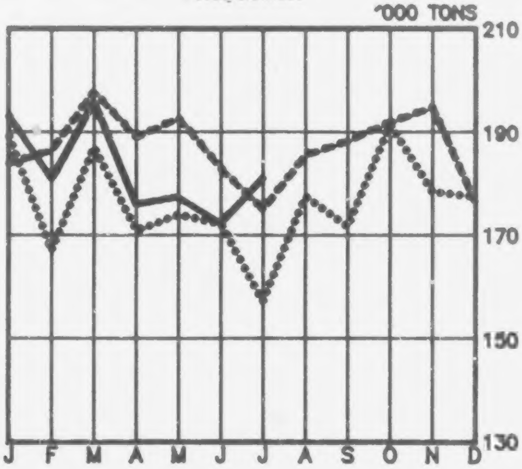
UNBLEACHED KRAFT PACKAGING AND INDUSTRIAL CONVERTING PAPER

SHIPMENTS



OTHER PAPER

PRODUCTION



1987 ········ 1988 - - - - - 1989 ———

WOOD PULP STATISTICS
(Thousands of Tons)

		YEAR 1987	YEAR 1988	MARCH 1989	APRIL 1989	MAY 1989	JUNE 1989	Annual Rate Y-T-D 1989	% Change from same Period Last Year
TOTAL WOOD PULP						R	P		
Total Wood Pulp	- Production	59,552	61,161	5,307	5,193	5,087	5,104	61,956	2.1
	- Imports	4,850	5,038 A	466	418	420	389	5,040	0.5
	- Exports	4,889	5,528	623	525	504	562	6,354	17.3
	- New Supply	59,513	60,671	5,150	5,086	5,003	4,932	60,642	0.6
Dissolving Pulp	- Production	1,312	1,367	142	106	109	102	1,376	4.5
	- Imports	198	248	37	24	15	32	301	22.2
	- Exports	752	865	86	68	66	79	844	-1.7
	- New Supply	757	751	93	63	59	55	832	18.2
Paper Grades Chemical Pulp	- Production	48,293	49,493	4,286	4,209	4,125	4,167	50,290	2.4
	- Imports	4,456	4,419 A	406	363	381	326	4,434	0.8
	- Exports	4,111	4,612	530	451	435	474	5,432	20.5
	- New Supply	48,637	49,300	4,162	4,121	4,071	4,019	49,292	0.6
Groundwood and Thermo-Mech.	- Production	5,702	5,943	502	512	497	482	5,900	-1.1
	- Imports	197	371 A	23	31	23	31	306	-18.2
	- Exports	26	51	7	6	3	8	78	55.1
	- New Supply	5,872	6,263	517	537	517	504	6,128	-2.6
Semi-Chemical	- Production	4,246	4,358	378	366	356	353	4,390	1.6
	- Imports								
	- Exports								
	- New Supply	4,246	4,358	378	366	356	353	4,390	1.6
MARKET WOOD PULP									
Total Market Wood Pulp	- Production	8,114	8,565	771	718	721	738	8,824	4.9
	- Imports	3,235	3,471	304	268	307	267	3,360	-1.3
	- Exports	4,820	5,071	541	423	446	505	5,446	8.1
	- New Supply	6,529	6,966	534	563	581	500	6,739	-0.5
Dissolving Pulp	- Production	1,308	1,365	141	105	108	102	1,370	4.2
	- Imports	154	206	29	21	10	27	222	3.9
	- Exports	775	798	92	63	58	84	832	7.5
	- New Supply	687	774	78	63	60	46	760	0.8
Paper Grades Chemical Pulp	- Production	6,806	7,200	631	613	612	636	7,454	5.1
	- Imports	2,975	3,126	269	238	290	237	3,074	1.9
	- Exports	4,045	4,273	449	360	388	422	4,614	8.2
	- New Supply	5,736	6,052	451	491	514	451	5,915	1.2
Groundwood Pulp and All Other	- Production	0	0	0	0	0	0	0	0.0
	- Imports RS	106	139	6	9	7	3	64	-63.3
	- Exports	0	0	0	0	0	0	0	0.0
	- New Supply	106	139	6	9	7	3	64	-63.3

SOURCES: Total Wood Pulp Production & Market Wood Pulp Production, Imports & Exports - Pulp Division, Pulp, Materials and Technology Group, API. Total Wood Pulp Imports & Exports - Department of Commerce.

NOTE: A - API shifted Import data from January 1989 to December 1988 to compensate for misallocation of reported data.

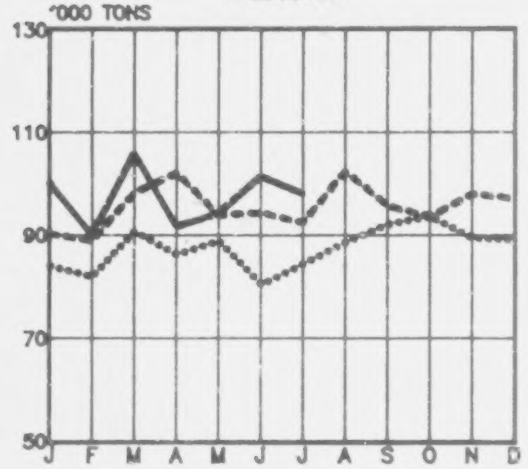
FIBROUS RAW MATERIALS
(Thousands of tons)

	YEAR 1987	YEAR 1988	MARCH 1989	APRIL 1989	MAY 1989	JUNE 1989	Annual Rate Y-T-D 1989	% Change from same Period Last Year
CONSUMPTION AT PAPER & PAPERBOARD MILLS					R	P		
Total	77,468	79,707	6,884	6,686	6,696	6,578	80,151	1.0
Total Wood Pulp	59,474	60,847	5,269	5,131	5,072	4,987	61,222	1.2
Waste Paper	17,993	18,860	1,615	1,555	1,624	1,591	18,928	0.3
INVENTORIES								
Chemical Paper Grade Market Pulp								
Producers' Own-Use Inventories	170	172	179	190	162	166	166	-5.0
Producers' Market Inventories	224	261	279	306	305	298	298	54.6
Consumers' Purchased Inventories #	529	622	592	596	628	588	588	10.1
Waste Paper at Paper & Bd. Mills	902	1,029	1,012	1,024	1,024	1,036	1,036	24.4
Days of Supply at Pulp Mills of Chemical Paper Grade Mkt Pulp	12	14	13	15	15	15	15	50.0

SOURCES: Wood Pulp Data, Pulp Division, Pulp, Materials and Technology Group, API. Waste Paper Data, Paper Recycling Committee, API. # Includes all grades of wood pulp.
P - Preliminary; R - Revised; (0) - Indicates zero to five-hundred short tons RS - 1988 Revised Series

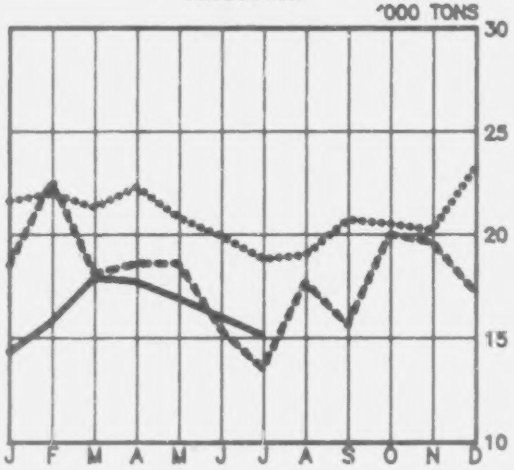
BLEACHED BRISTOLS

PRODUCTION



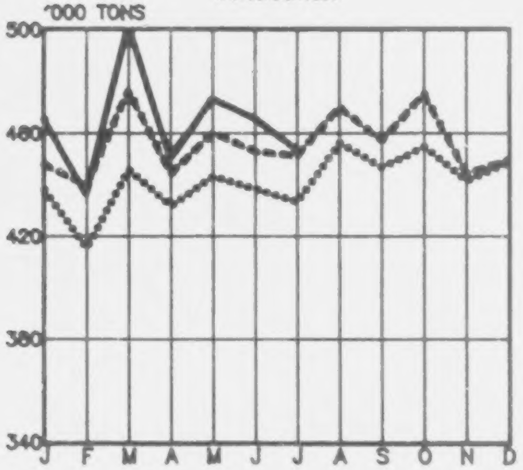
THIN PAPER

PRODUCTION



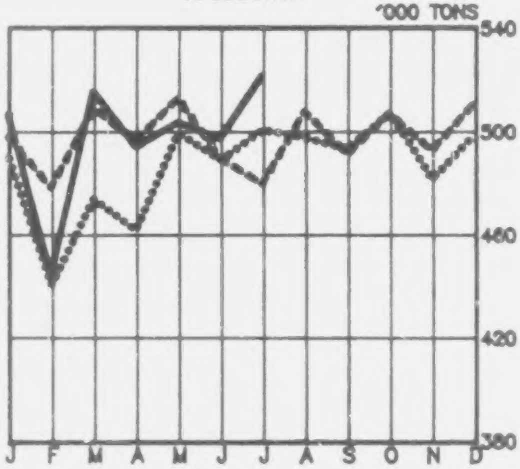
TISSUE PAPER

PRODUCTION



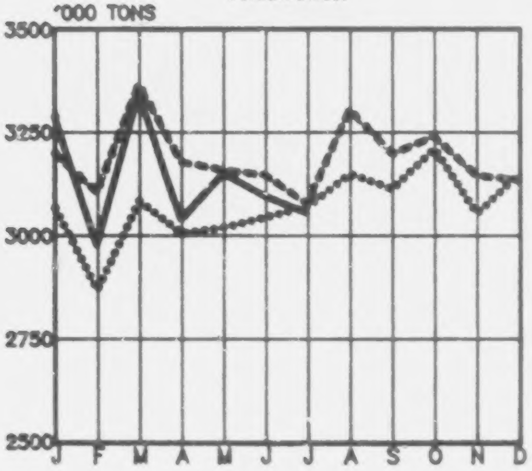
NEWSPRINT

PRODUCTION



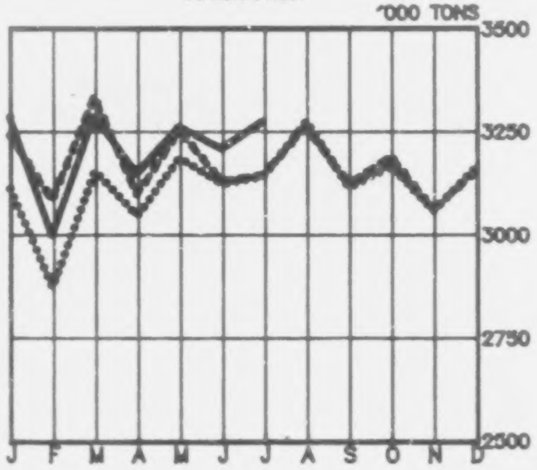
TOTAL PAPER

PRODUCTION



TOTAL PAPERBOARD

PRODUCTION



1987 ········ 1988 - - - - - 1989 ———

FIBROUS RAW MATERIALS

(Thousands of Standard (128 cubic foot) Cords)

		YEAR 1987	YEAR 1988	MARCH 1989	APRIL 1989	MAY 1989	JUNE 1989	Annual Rate Y-T-D 1989	% Change From Same Period Last Year
PULPWOOD									
Total U.S.	- Total Receipts	94,312	95,537	8,035	7,858	8,005	8,358	96,888	2.4
	- Total Consumpt	93,946	95,497	8,169	8,040	8,112	8,348	97,728	2.4
	- Residues *	32,899	33,186	2,776	2,761	2,867	2,939	33,966	2.6
	- Inventories	5,096	4,888	4,490	4,402	4,320	4,343	4,343	-3.6
So. Atlantic	- Total Receipts	31,147	31,582	2,558	2,670	2,646	2,616	31,594	2.0
	- Total Consumpt	30,915	31,567	2,660	2,719	2,646	2,697	32,216	3.1
	- Residues *	9,553	9,897	768	812	779	801	9,788	0.2
	- Inventories	1,211	1,200	1,020	964	943	911	911	-11.8
Northeast	- Total Receipts	6,941	7,187	628	530	502	584	7,196	4.0
	- Total Consumpt	7,109	7,216	624	643	582	549	7,216	-3.4
	- Residues *	1,543	1,664	150	142	129	126	1,696	2.9
	- Inventories	594	572	667	533	418	441	441	-0.9
South Central	- Total Receipts	33,650	33,751	2,989	2,829	2,958	2,981	34,564	3.4
	- Total Consumpt	33,059	33,646	3,032	2,750	3,025	3,074	35,088	4.8
	- Residues *	9,992	9,890	898	810	944	850	10,236	4.1
	- Inventories	1,294	1,160	974	1,061	986	857	857	-19.8
North Central	- Total Receipts	6,552	6,865	543	437	524	598	6,846	-3.9
	- Total Consumpt	6,764	6,929	576	588	599	593	7,036	-1.7
	- Residues *	1,263	1,334	136	107	125	107	1,416	1.6
	- Inventories	830	839	870	846	786	768	768	-4.7
West	- Total Receipts	16,022	16,152	1,317	1,392	1,375	1,579	16,688	3.4
	- Total Consumpt	16,099	16,139	1,277	1,340	1,260	1,435	16,172	0.8
	- Residues *	10,548	10,401	824	890	890	1,055	10,830	3.6
	- Inventories	1,167	1,117	959	998	1,187	1,366	1,366	18.3

* - Consumption of Residues in Cord Equivalents. SOURCE: American Pulpwood Association 22-Aug-89

UNITED STATES TRADE WITH CANADA

IMPORTS FROM CANADA

		YEAR 1988 Tons	YEAR 1988 ($000's)	MAY 1989 Tons	MAY 1989 ($000)	JUNE 1989 Tons	JUNE 1989 ($000)	Annual Rate Y-T-D 1989 Tons	% Change From same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)		39,337	4,195	0	0	6,457	174	113,730	279.4
Pulpwood chips		876,038	35,184	59,158	1,849	53,831	1,486	926,646	17.8
Wood Pulp, Total	A	4,340,245	2,282,329	337,298	202,954	346,029	207,222	4,408,453	2.9
Waste Fibrous Materials, Total		227,004	48,450	11,195	1,865	14,419	2,726	183,116	-26.9
Paper, Board & Products, Total	A	10,497,185	5,715,612	968,348	537,179	889,304	495,650	10,909,382	1.1
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	A	10,348,278	5,458,084	955,901	512,299	872,863	471,154	10,724,681	0.8
Paper, Paperboard & Products	A	10,283,277	5,649,813	957,741	534,291	879,455	493,044	10,734,055	1.4
Paper & Paperboard, Only	A	10,134,369	5,392,286	945,293	509,411	863,014	468,547	10,549,354	1.0
Paper, Total	A	9,869,253	5,295,796	902,810	492,296	822,338	451,828	10,130,223	-0.4
Newsprint	A	8,284,709	4,320,023	722,824	371,306	637,028	329,908	7,985,230	-6.9
Printing, Writing & Rel. Pap.	A	1,304,003	807,306	153,440	102,014	161,464	104,317	1,836,908	40.3
Pack. & Ind. Conv. Paper		227,493	120,765	18,579	10,279	14,384	7,912	211,232	-10.7
Special Industrial Paper		4,767	9,106	3,833	5,000	4,285	4,949	40,150	760.9
Tissue Paper		48,281	38,596	4,135	3,697	5,177	4,743	56,703	8.6
Paperboard, Total		265,116	96,490	42,483	17,114	40,676	16,720	419,132	57.4
Convtd Paper&Paperbd Products		148,908	257,528	12,448	24,880	16,441	24,496	184,700	25.6
Wet Machine Board		2,939	2,120	66	50	36	31	343	-89.3
Construction Paper & Board		210,970	63,679	10,542	2,838	9,812	2,576	174,984	-9.9

NOTE: A - API shifted Import data from January 1989 to December 1988 to compensate for misallocation of reported data.

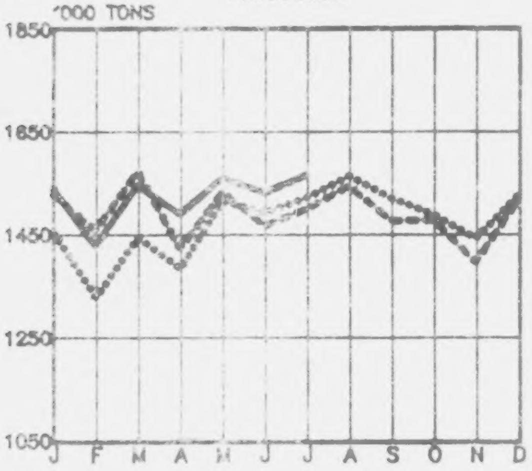
EXPORTS TO CANADA

Pulpwood, Roundwood (in cords of 128 cubic feet)	14,180	836	3,527	208	9,694	124	38,586	92.1
Pulpwood chips	33,040	1,739	2,169	89	2,563	117	22,774	-49.7
Wood Pulp, Total	280,074	101,214	17,949	7,830	49,277	18,662	333,862	27.6
Cotton Pulp & Other Pulp	84,891	24,062	517	394	505	321	6,935	-91.8
Waste Paper	331,999	38,199	30,424	3,172	22,407	3,231	316,233	3.0
Paper, Board & Products, Total	1,050,117	715,960	93,786	69,595	115,054	80,470	1,011,854	-11.4
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	773,973	464,416	63,128	45,567	80,235	52,448	700,725	-17.4
Paper, Paperboard & Products	1,013,157	699,127	92,764	69,096	112,320	79,498	991,667	-10.5
Paper & Paperboard, Only	737,013	447,583	62,106	45,068	77,500	51,475	680,537	-16.4
Paper, Total	340,156	293,175	34,575	34,210	36,135	34,707	349,678	-4.5
Newsprint	5,806	5,304	615	272	1,096	976	7,405	98.5
Printing, Writing & Rel. Pap.	166,667	160,007	22,157	22,271	22,514	22,472	217,426	23.7
Pack. & Ind. Conv. Paper	41,718	29,572	5,081	2,962	5,544	2,490	51,014	26.3
Special Industrial Paper	118,806	90,276	5,979	7,570	6,255	7,624	67,459	-52.2
Tissue Paper	7,160	8,016	743	1,135	726	1,145	6.372	21.1
Paperboard, Total	396,857	154,408	27,531	10,858	41,366	16,768	330,859	-26.1
Convtd Paper&Paperbd Products	276,145	251,544	30,658	24,028	34,820	28,022	311,130	6.1
Wet Machine Board	6,527	2,590	182	68	384	149	2,259	-68.7
Construction Paper & Board	30,433	14,243	841	431	2,351	823	17,929	-32.9

SOURCE: Bureau of Census, Department of Commerce . E - Estimate of tonnage based on square foot data 22-Aug-89

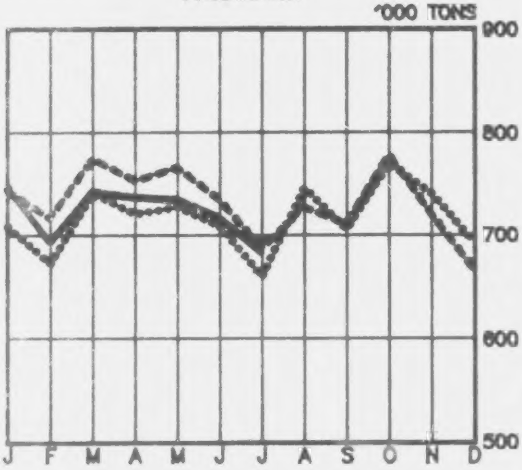
UNBLEACHED KRAFT LINERBOARD

PRODUCTION



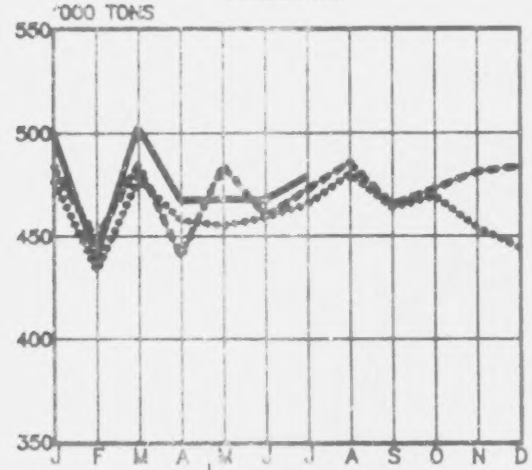
RECYCLED PAPERBOARD

PRODUCTION



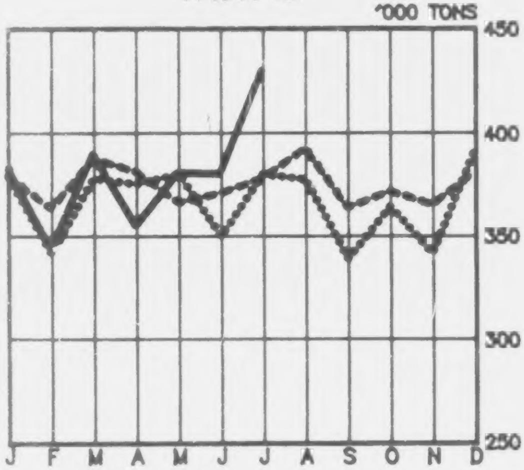
SEMICHEMICAL PAPERBOARD

PRODUCTION



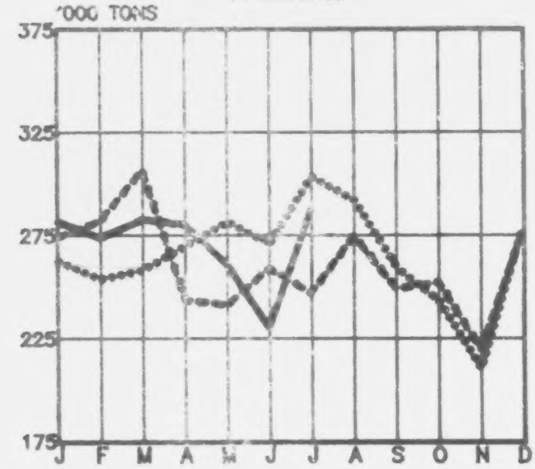
SOLID BLEACHED PAPERBOARD

PRODUCTION



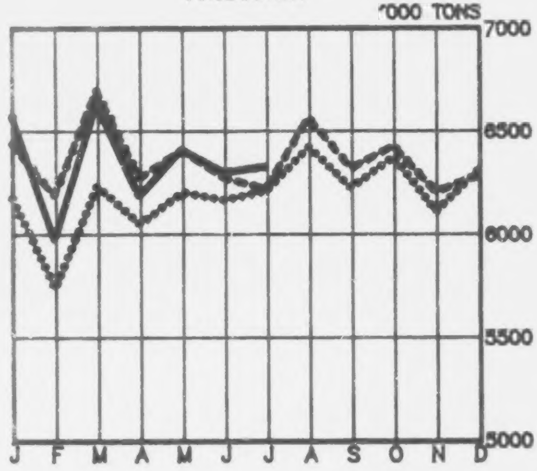
PAPERBOARD FOR EXPORT

PRODUCTION



TOTAL PAPER AND PAPERBOARD

PRODUCTION



1987 ········ 1988 - - - - 1989 ———

PULP PAPER AND PAPERBOARD IMPORTS AND EXPORTS DATA

IMPORTS

	YEAR 1988 Tons	YEAR 1988 $000	1989 MAY Tons	1989 MAY $000	1989 JUNE Tons	1989 JUNE $000	(1) Annual Rate YTD 1989 Tons	% Change from same Period Last Year
• • • •	• •	•	•	• •	•	•	•	•
Pulpwood Roundwood (cords)	39,515	4,200	0	0	6,457	174	113,730	279.4
Pulpwood Chips	888,636	35,553	64,551	2,008	58,170	1,582	951,494	18.3
Total All Imports A	18,402,259	10,725,164	1,593,149	953,916	1,458,034	919,301	18,315,821	-0.7
Wood Pulp Total A	5,038,158	2,663,424	419,893	227,482	389,120	234,711	5,040,280	0.5
Waste Paper	161,367	27,361	11,461	1,937	14,363	2,664	194,935	11.9
Other Fibrous Materials	92,505	32,331	1,227	982	1,070	813	14,908	-84.8
Paper Board & Products Total A	13,110,229	8,002,047	1,160,569	723,515	1,053,481	681,113	13,058,621	-0.7
Paper Paperboard Wet Machine Bd. & Construction Paper & Board A	12,679,974	6,989,006	1,104,745	639,479	1,015,311	593,453	12,484,643	-2.1
Paper Ppbd & Prds ex Cnst&WMB A	12,787,784	7,893,637	1,146,896	719,471	1,040,085	677,490	12,840,941	-0.1
Paper & Paperboard Only A	12,357,530	6,880,596	1,091,072	635,435	1,001,915	589,830	12,266,963	-1.5
Paper Total A	12,016,519	6,749,882	1,043,215	612,074	959,618	568,660	11,792,665	-2.6
Newsprint A	8,801,503	4,569,853	742,098	380,234	661,506	341,654	8,190,617	-7.8
Printing & Writing A	2,812,259	1,899,745	258,616	189,574	258,376	185,810	3,100,290	9.5
Uncoated Groundwood	1,362,642	792,881	125,670	76,199	146,075	88,154	1,620,638	12.0
Coated Print.& Impreg. Pap. A	797,765	641,466	79,662	65,132	62,369	51,728	750,779	-1.2
Uncoated Free Sheet A	591,830	414,326	41,782	34,875	36,317	29,368	572,964	2.1
Uncoated Book A	258,146	175,746	N.L.R.	N.L.R.	N.L.R.	N.L.R.	N.L.R.	N.L.R.
Writing and Similar Paper A	333,683	238,580	41,782	34,875	36,317	29,368	572,964	75.1
Thin (except Cigarette)	55,774	48,804	6,807	7,799	8,308	10,293	93,265	51.2
Bristols	4,247	2,269	4,695	5,570	5,308	6,267	62,644	7211.4
Total Pkg & Other Paper	343,196	231,796	33,809	34,390	29,570	31,929	386,462	18.4
Unbleached Kraft Paper	161,708	76,116	20,099	9,710	16,664	8,097	231,835	38.0
Other Pkg. & Indust. Paper	181,488	155,680	13,710	24,680	12,906	23,831	154,627	-2.4
Tissue	59,561	48,488	8,692	7,875	10,166	9,267	115,296	70.2
Paperboard, Total	341,011	130,714	47,857	23,361	42,297	21,170	474,297	37.7
Test or Containerboard	85,682	36,145	8,864	3,299	9,766	3,691	77,556	6.5
Semi-Chemical Corrugating	142,490	43,596	12,250	4,045	11,136	3,500	132,593	-14.5
Other Paperboard	112,839	50,972	26,743	16,017	21,395	13,979	264,148	126.9
Convtd Paper&Paperbd Products	430,255	1,013,041	55,824	84,036	38,170	87,660	573,978	42.0
Paper Products, Total	393,089	944,974	47,885	69,920	30,052	73,013	468,248	27.5
Paperboard Products, Total	37,166	68,067	7,939	14,116	8,118	14,648	105,730	185.8
Wet machine Board	4,239	3,780	71	61	70	65	591	-86.5
Construction Paper & Board	318,206	104,630	13,602	3,984	13,325	3,558	217,089	-25.5
Notes								
Other: No Weight Avail. ($000)		177,686		12,085		12,521	122,846	-31.2
Total Imports Incl. Other($000)		10,902,850		966,001		931,822	11,383,179	6.9

NOTE: A - API shifted Import data from January 1989 to December 1988 to compensate for misallocation of reported data.

EXPORTS

							(1)	
Pulpwood, Roundwood (cords)	15,470	894	10,719	718	19,797	280	127,774	483.7
Pulpwood Chips	3,503,100	286,191	486,928	45,084	327,994	31,167	4,397,564	41.8
Total All Exports	17,061,208	7,467,363	1,675,922	761,467	1,579,259	750,739	18,939,064	12.9
Wood Pulp, Total	5,528,292	2,914,521	503,863	285,211	561,686	323,155	6,353,795	17.3
Cotton Pulp and Other Pulp	201,567	111,923	7,574	6,657	8,569	7,704	124,655	-41.5
Waste and Old Paper	5,640,118	688,258	571,248	72,926	502,249	61,790	6,120,649	13.4
Paper, Board & Products, Total	5,691,231	3,752,661	593,237	396,673	506,755	358,089	6,339,966	10.5
Paper, Paperboard, Wet Machine Bd. & Construction Paper & Board	4,876,563	2,701,405	493,010	285,056	411,561	243,431	5,276,704	7.4
Paper, Ppbd & Prod ex Cnst&WMB	5,559,356	3,683,601	591,181	395,675	503,337	356,780	6,303,280	12.6
Paper & Paperboard, Only	4,744,688	2,632,346	490,954	284,058	408,144	242,121	5,240,018	9.8
Paper, Total	1,102,490	988,031	142,974	123,886	128,861	109,049	1,474,886	40.7
Newsprint	427,296	295,474	54,783	31,416	48,112	27,445	621,752	83.4
Printing & Writing	287,208	313,047	47,077	46,697	50,062	47,146	476,948	63.7
Uncoated Groundwood	70,286	58,639	9,372	6,611	9,734	6,636	94,711	38.9
Clay Coated Paper	97,464	79,731	17,004	14,219	20,376	12,470	164,307	54.4
Uncoated Free Sheet	82,660	124,049	9,423	13,028	9,305	14,218	89,142	9.2
Other Printing & Writing	36,799	50,629	11,277	12,839	10,647	13,823	128,788	266.3
Total Pkg. & Other Paper	346,718	342,117	38,199	41,833	28,965	31,751	352,750	-3.1
Unbleached Kraft	110,075	54,975	9,359	4,924	10,894	5,622	117,065	15.9
Other Pkg. & Indust. Paper	236,643	287,142	28,840	36,909	18,071	26,128	235,685	-10.4
Tissue	41,268	37,393	2,915	3,940	1,722	2,707	23,436	-56.5
Paperboard, Total	3,642,198	1,644,314	347,980	160,172	279,283	133,072	3,765,132	1.1
Solid Wood Pulp	3,359,078	1,511,057	333,826	153,609	259,730	124,164	3,576,910	4.6
Total Linerboard	2,281,362	887,846	245,224	91,700	163,924	63,568	2,518,582	9.2
Bleached Kraft Linerboard	140,801	73,728	12,948	6,078	18,088	9,182	254,441	80.0
Unbleached Kraft Linerbd	2,140,562	814,119	232,276	85,623	145,836	54.386	2,264,140	4.6
Other Unbleached Kraft	292,437	102,638	20,097	9,493	22,260	10,184	243,453	-28.9
Other Bleached Kraft	742,918	502,513	66,895	50,829	70,137	48,831	785,762	9.2
Semi-Chemical Corrugating	42,360	18,060	1,610	1,587	3,408	1,580	29,113	-44.4
Recycled Paperboard	283,121	133,257	14,154	6,564	19,553	8,907	188,222	-37.9
Convtd Paper&Paperbd Products	814,668	1,051,256	100,227	111,617	95,194	114,659	1,063,262	28.7
Paper Products, Total	367,548	682,281	40,649	69,989	46,074	75,174	481,719	34.6
Paperboard Products, Total	447,121	368,975	59,579	41,628	49,120	39,485	581,542	24.1
Wet Machine Board	11,691	4,915	406	155	417	165	3,398	-73.6
Construction Paper & Board E	120,184	64,145	1,650	843	3,001	1,145	33,288	-74.1
Notes								
Other: No Weight Avail. ($000)		9,170		2,095		2,973	20,708	134.8
Total Exports Incl. Other($000)		7,476,533		763,562		753,712	8,705,840	19.8

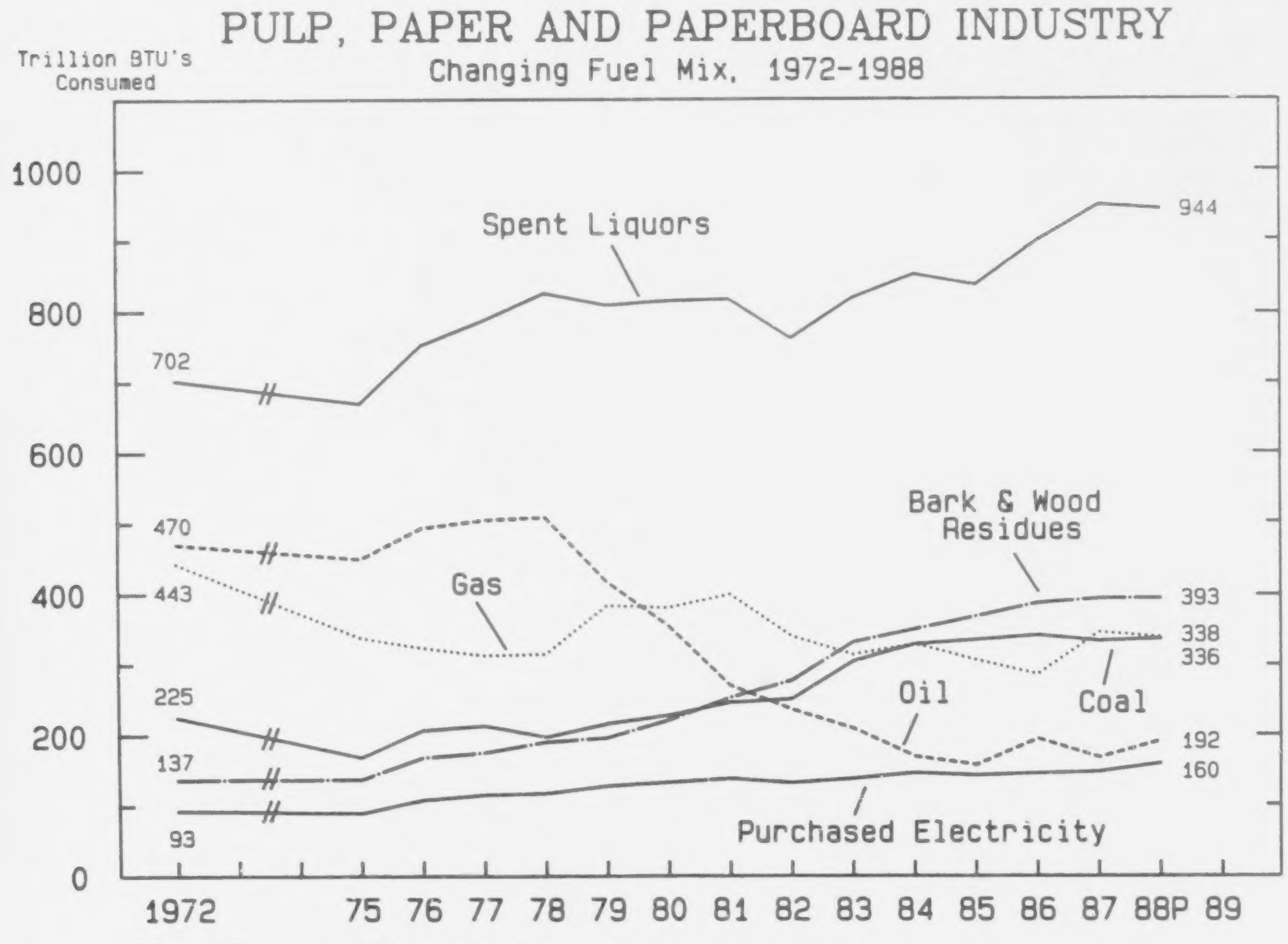
SOURCE: Bureau of Census, U.S. Department of Commerce. E - Incl. estim. of tonnage based on square foot data.
(1) Annual Rate Year-To-Date is in tons unless otherwise specified in item description. N.L.R. - No longer reported.

PRODUCER PRICE INDEXES

1982 = 100

	1987	1988	APRIL 1989	MAY 1989	JUNE 1989	JULY 1989	Annual Rate Y-T-D 1989	% Change from same Period Last Year
Pulp, Paper and Products except Building Grades	114.3	124.8	132.7	133.3	133.1	132.8	132.0	7.7
Pulp Paper & Products, ex. Building Grades & ex Waste Paper *	113.2	123.8	132.3	132.9	132.7	132.4	131.6	8.3
Total Wood Pulp	111.5	136.7	155.7	158.4	158.3	159.4	155.6	18.1
Total Paper	111.5	123.2	131.3	131.0	131.0	130.3	130.4	7.9
Total Paper, exc. Newsprint	110.6	123.4	132.1	132.3	132.3	131.2	131.5	9.2
Newsprint	112.3	127.6	128.2	124.1	123.4	123.6	125.5	-1.8
Total Paperboard	118.1	133.2	143.8	143.5	141.3	140.2	140.8	7.3
Total Paper and Paperboard *	113.6	126.4	135.2	134.9	134.2	133.4	133.7	7.7
Converted Products	114.7	123.0	130.5	131.8	131.9	132.0	130.5	8.0
Waste Paper	181.4	183.6	159.1	158.2	157.7	155.3	157.9	-16.6
All Commodities	102.8	106.9	112.3	113.1	112.8	112.7	112.0	5.7
Industrial Commodities	102.6	106.3	111.7	112.4	112.3	112.2	111.3	5.4

SOURCE: Producer Price Indexes: Bureau of Labor Statistics, U.S. Department of Labor * Computed by API



PULP, PAPER AND PAPERBOARD INDUSTRY

Changing Fuel Mix, 1972-1988

SOURCE: API Energy and Materials Department total Packaging and Other Paper data were not affected, only the grade breakdown. Because of this transfer of tonnage it was also necessary to reclassify 275,000 tons of unbleached kraft paper capacity and 75,000 tons of bleached kraft paper capacity to the 1989 specialty packaging and special industrial grades totals.

Paperboard: Total paperboard production (seasonally adjusted) through the first seven months of 1989 was at an annual rate of 38,667,000 tons, 0.9% ahead of the corresponding 1988 rate and 1.5% above the total for 1988. Recycled paperboard production registered a decline for the fourth consecutive month and now lags last year's pace by 2.4%. Unbleached kraft linerboard production continues to carry the paperboard segment of the industry and, at a rate of 18.3 million tons per year, is on its way to another record year.

At 3,255,000 tons per year, total paperboard production for export in the January-July 1989 period recorded a 2.3% gain over its corresponding 1988 total and rose 3.9% above the rate for all of 1988. In contrast to this year's uptick, the 1986-1988 trend of these exports was essentially flat, holding close to 3.1 million tons per year.

MARKET WOOD PULP

U.S. shipments of chemical paper grade market wood pulp, at 3.9 million tons through July 1989, were 3.4% ahead of their year-ago volume. Due in large part to continuing favorable exchange levels, shipments to Japan during the first seven months of 1989 were 37% above last year's pace while shipments to Western Europe continued to exceed their year-ago volume by 8%. These regions account for the bulk of foreign demand. Shipments to the domestic market are still about 5% behind their 1988 level, consistent with the reduced demand for printing and writing papers.

Production of chemical paper grade market wood pulp equalled shipments in July and producers month end inventories remained at 15 days of supply for the fourth consecutive month. The United States' capacity utilization rate dipped to 95% in July, lowering the cumulative average to 99%, still comfortably above its year-ago average of 96%.

SALES & EARNINGS

Second quarter sales of 27 Paper and Allied Products companies showed a 14.1% advance from the second quarter of 1988. At $18.7 billion, sales were 6% higher than first quarter sales, bringing the first half total 12.7% above its year-earlier level. Net profits after taxes were 5.8% ahead of last year's second quarter but virtually unchanged from the first quarter of 1989 total. The six-month profit gain was 12.1%. The ratio of net profits to sales averaged 7.8%, compared to the 7.9% reported for the first six months of 1988.

Four forest products companies with capacity in the paper industry also registered a 10.9% gain from the first to the second quarter of 1989. Year-to-date sales were up by 10.8% from this period last year; net profits after taxes by 29.1%.

PAPER INDUSTRY ENERGY CONSUMPTION PATTERNS

The U.S. paper industry has achieved further gains in energy efficiency despite a significant easing of fossil fuel prices since the first half of the 1980's. In particular, the industry reduced its use of fossil fuel and purchased energy per ton of pulp, paper, and paperboard output by 2.6% last year. When calculated on an adjusted basis -- i.e., when the net effect of changes in capacity utilization, environmental energy use and fuel mix are taken into account -- the industry's energy efficiency improved by a slightly higher 2.9% in 1988. Since 1972, the year before the Arab oil embargo, the adjusted energy efficiency of the paper industry has increased by a dramatic 43.5%.

The paper industry met 56.5% of its energy needs from self-generated and residue sources in 1988, which was down fractionally from 56.8% in 1987, but far above the 40.3% share that self-generated energy represented in 1972. The two most important categories of self-generated energy are spent pulping liquors (solids), which supplied 39.2% of the industry's total energy needs in 1988, and wood residues and bark, which provided 16.3% of the total. The use of self-generated and residue sources of energy by the paper industry yielded the equivalent fuel savings of more than 200 million barrels of oil in 1988, or about 27 days of current U.S. oil imports.

Purchased energy comprised 43.5% of the industry's needs in 1988 as compared with 59.7% in 1972. Although the paper industry has significantly reduced its reliance on residual fuel oil and natural gas since 1972, the relative importance of purchased electricity and coal has increased. The chart on page 10 shows paper industry energy consumption trends by type of fuel.

The relative distribution of energy consumption by the paper industry varies widely by region. For instance, in 1988 residual fuel oil accounted for 35.4% of paper industry energy consumption in New England and 20.4% of consumption in the Middle Atlantic states. By comparison, it comprised just 3.3% of the industry's energy consumption in the North Central states and 1.7% of the total in the South Central section of the country.

Natural gas plays an important role in meeting the paper industry's energy needs in the South Central, North Central and Mountain & Pacific regions. On the other hand, coal plays an important role in the North Central, Middle Atlantic and South Atlantic sections of the country.

Expenditures for purchased energy have been declining as a percentage of paper industry shipments since 1982. The API Energy and Materials Department estimates that purchased energy outlays declined from 13.9% of the value of U.S. pulp and paper industry shipments in 1982 to 7.3% in 1988. The declines reflect the increase in self-generated energy, along with higher unit value prices for paper, lower purchased energy prices, and gains in industry energy efficiency.

INDUSTRY FACT SHEET

AMERICAN PAPER INSTITUTE, INC.
260 Madison Avenue
New York, New York 10016

August 29, 1989

PRODUCTION (000 TONS)

*	(P) JULY 1989	* JUNE 1989	* JULY 1988	* FIRST 7 MONTHS 1989	* 1988	% CHANGE YR TO DATE 1989/1988
PAPER GRADES						
Newsprint	522	498	481	3,488	3,469	0.5
Printing & Writing	1,692	1,733	1,752	12,407	12,671	-2.1
Uncoated Groundwood (s)	148	139	136	1,017	926	9.9
Coated Paper (s)	568	577	596	4,052	4,303	-5.8
Uncoated Free Sheet Paper (s)	852	886	902	6,447	6,558	-1.7
Thin Paper (s)	15	16	14	114	126	-9.3
Cotton Fiber Paper (s)	11	13	12	94	97	-3.1
Bleached Bristols (s)	98	102	93	683	662	3.2
Tissue Paper	458	466	452	3,254	3,177	2.4
Total Pkg & Other Paper	390	401	396	2,824	2,939	-3.9
Unbl. Kraft Paper (s) RS	209	229	221	1,546	1,630	-5.1
Other Paper RS	181	173	175	1,278	1,309	-2.4
TOTAL PAPER	3,062	3,099	3,080	21,973	22,256	-1.3
PAPERBOARD GRADES						
Unbleached Kraft Paperboard	1,685	1,644	1,608	11,429	11,213	1.9
Unbleached Kraft Linerboard	1,566	1,531	1,501	10,658	10,485	1.7
Other Unbl. Kraft Paperboard	119	113	108	771	729	5.7
Semichemical Paperboard	479	468	473	3,326	3,273	1.6
Bleached Paperboard	431	381	379	2,668	2,633	1.3
Recycled Paperboard	683	718	688	5,060	5,182	-2.4
TOTAL PAPERBOARD	3,279	3,211	3,149	22,482	22,302	0.8
TOTAL PAPER AND PAPERBOARD	6,341	6,309	6,229	44,455	44,558	-0.2

WOOD PULP (ALL GRADES)	JUNE 1989	MAY 1989	JUNE 1988	FIRST 6 MONTHS 1989	1988	% Change 89/88
Dissolving & Special Alpha	102	109	117	688	658	4.5
Bleached Sulfite)	129	128	129	780	766	1.7
Unbleached Sulfite)						
Bleached & Semi-Bl. Sulfate	2,243	2,192	2,135	13,558	12,956	4.6
Unbleached Sulfate	1,795	1,805	1,739	10,808	10,828	-0.2
Semichemical	353	356	349	2,195	2,160	1.6
Groundwood & Thermomechanical	482	497	480	2,950	2,982	-1.1
TOTAL PULP DIVISION DATA	5,104	5,087	4,949	30,978	30,351	2.1

RS - Revised Series
(s) - Shipments
P - Preliminary

AUGUST 31, 1989

	Full Year		INDUSTRY DATA 1988 - 1989			Ann. Rate Year - To - Date	% From Same Pd. Last Year
PAPER AND PAPERBOARD -- Tons (000)	1987	1988	May	June	July	1989	
Total Production API.........: excluding :....	74,317	76,403	6,419	6,309	6,341	76,209	-0.2
Total Seasonally Adjusted....:construction:...			6,329	6,348	6,417	76,565	-0.1
Imports (including Products).: and wet :..E	12,528	12,788	1,147	1,040	1,100	12,592	0.6
Exports (including Products).: machine :..E	5,197	5,559	591	503	535	6,320	14.1
Apparent Consumption.........: grades :...	81,648 a	83,631 b	6,885	6,885	6,982	82,781 c	-1.3
Paper Production % Tonnage Capacity...........	94.4 g	95.3	90.1	91.5	87.3	92.2	-
Paperboard Production % Tonnage Capacity......	95.7 g	95.3	93.5	95.1	94.2	94.6	-
			April	May	June		
IMPORTS.....:Including Construction and :....	12,837	13,110	1,059	1,161	1,053	13,059	+0.7
EXPORTS.....: WMB Grades (excl. HPB) :....	5,304	5,691	493	593	507	6,340	10.5
MARKET WOOD PULP PRODUCTION - Tons (000)........	8,114	8,565	718	721	738	8,824	4.9
TOTAL WOOD PULP PRODUCTION - Tons (000).........	59,552	61,161	5,193	5,087	5,104	61,956	2.1
WOOD PULP IMPORTS - TONS (000)..................	4,850	5,036	418	420	389	5,040	0.5
WOOD PULP EXPORTS - TONS (000)..................	4,889	5,528	525	504	562	6,354	17.3
RAW MATERIALS CONSUMPTION - Tons (000)							
..PAPER AND BOARD MILLS : excluding :			April	May	June		
Wood Pulp............:consumption for:.....	59,475	60,847	5,131	5,072	4,987	61,222	1.2
Waste Paper..........:construction & :.....	17,993	18,860	1,555	1,624	1,591	18,928	0.3
TOTAL.........: WMB grades :.....	77,468	79,707	6,686	6,697	6,578	80,151	1.0
PULPWOOD CONSUMPTION Cords(000(Amer.Pulpwd. Assn	91,346	95,497	8,040	8,112	8,148	97,728	2.4
EMPLOYMENT (000)			May	June	July		
Paper and Allied Products..........Total......	680.1	692.6	694.6	703.5	701.7	695.5	0.8
Pulp, Paper and Board Mills........Total.....E	244.9	245.5	245.9	250.8	251.0	246.7	0.3
AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS ($)			May	June	July		
Paper and Allied Products......................	11.43	11.66	11.89	11.91	12.05	11.87	2.3
Pulp, Paper Mills...........................E	14.01	14.31	14.62	14.66	14.91	14.61	2.9
Paperboard Mills............................E	14.30	14.49	14.67	14.60	14.83	14.60	1.2
CAPITAL EXPENDITURES, PAPER & ALLIED PRODUCTS			1988 Q4	1989 Q1	1989 Q2		
(Rept. by US Dept. of Com., Ann. Rates. Bill.$)*	9.01	11.23	12.53	14.21	14.86	15.12 Y	34.6
INDEX OF OUTPUT PER MAN-HOUR (1977=100)..........			May	June	July		
:IN PULP, PAPER :...Production Workers..........	145.0	148.7	148.4	147.3	148.9	150.0	3.8
:AND BOARD MILLS:...All Employees...............	141.8	146.1	145.2	144.2	145.3	146.6	3.2
PAPER AND ALLIED PRODUCTS (Million $)			April	May	June		
Industry Shipments (Dept. of Commerce)*........	118,855	127,718	10,927	10,900	10,862	130,650	2.5
Pulp, Paper and Paperboard*..................	51,518	57,177	4,871	4,923	4,884	58,560	2.2
Inventories (End of Period) - Total Industry*..	11,284	12,065	11,943	12,070	12,221	12,221	6.9
Pulp, Paper and Paperboard*..................	4,266	4,325	4,610	4,679	4,730	4,730	10.9
			1988 Q3	1988 Q4	1989 Q1		
Sales (Corporations Only)......................	95,576	107,221 RS	27,394	26,990	27,281	109,124	6.7
Earnings (Corporations Only)...................	5,520	8,081 RS	2,227	1,911	1,979	7,916	13.4
Depreciation (Corporations Only)...............	4,279	4,625 RS	1,163	1,167	1,187	4,748	1.5
Net Worth (Corporations Only)..................	39,217	42,940 RS	43,022	42,940	44,093	44,093	9.6
PRICE INDEXES (Bureau of Labor Stats)1982=100			May	June	July		
Pulp, Paper & Products, ex. Building Grades....	114.3	124.7	133.3	133.1	132.8	132.0	7.7
Wood Pulp......................................	111.6	136.7	158.4	158.3	159.4	155.6	18.2
Waste Paper....................................	181.4	183.5	158.2	157.7	155.3	157.9	-16.6
Paper..	111.5	123.2	131.0	131.0	130.3	130.4	8.0
Paperboard.....................................	118.1	133.2	143.5	141.3	140.2	140.8	7.3
PAPER DEMAND (INDEXED: 1977=100)			May	June	July		
Total Paper Production *......................	133.4	138.2	137.0	135.1	136.2	136.8	-1.1
Paper New Supply *............................	140.2	144.3	143.1	138.4	140.0	141.1	-2.4
Demand Indicators - (Weighted Average) *.....	154.5	163.7	174.5	174.9	175.6	173.7	7.6
Production of Nondurable Goods *...(21.2%).	136.8	143.9	149.6	149.9	150.6	149.3	4.9
Disposable Income ....*.(23.9%)	130.0	134.9	139.5	140.5	141.2	139.8	4.4
Total Printing and Publishing *...(54.9%).	172.0	183.8	199.4	199.5	200.2	197.9	9.4
Trend Factor	------------------ Not Available ------------------						
PAPERBOARD DEMAND (INDEXED: 1977=100)							
Total Paperboard Production *.................	129.2	131.6	131.2	133.8	135.6	133.6	1.0
Production for Domestic Use	126.1	129.0	128.6	132.6	132.0	130.6	0.9
Demand Indicators - (Weighted Average) *.....	125.9	132.5	137.1	137.0	136.9	136.8	4.5
Production of Consumer Goods *...(62.06%)	127.7	133.9	139.3	139.4	138.9	139.0	5.1
Production of Equipment *...(5.75%)	148.8	158.2	165.3	165.5	166.0	163.8	4.5
Production of Materials *...(32.19%)	118.3	125.3	127.7	127.2	127.8	127.7	3.2
Trend Factor	------------------ Not Available ------------------						
NEWSPRINT MARKETS			April	May	June		
Consumption by Publishers - Tons (000).........	13,583	13,597	1,165	1,151	1,097	13,327	-0.2
Newspaper Pub. and Printing Empl. Total(000)...	471	475	475	475	479	476	0.6
PRINTING AND FINE PAPER MARKETS							
MAGAZINE ADVERTISING PAGES (PIB, Inc.)...........	164,771	169,704	16,646	16,120	14,245	174,508	4.0
WHOLESALERS SALES AND INVENTORIES (Million $)							
Total Paper & Pap. Prdcts.,ex Wallpaper..Sales	44,741	52,377	4,482	4,596	4,661	54,704	8.6
Inventories (End of Period).	3,850	4,436	4,577	4,485	4,430	4,430	7.1
FIBRE BOX DATA (Fibre Box Association)			May	June	July		
Fibre Box Shipments (Million square feet).......	297,827	308,507	26,762	26,563	24,550	311,619	1.7
Container'bd Inventory at Mill & Plant(000Tons).	2,486	2,553	2,495	2,486	2,680	2,680	-1.6
RETAIL TRADE (Billion $)			May	June	July		
Total Retail Sales *..........................	1,511	1,612	142.5	142.4	143.7	1,696	6.5
Nondurable Goods Stores Sales *...............	950	998	88.4	88.8	89.2	1,051	7.1
GENERAL ECONOMIC DATA			May	June	July		
TOTAL INDUSTRIAL PRODUCTION (INDEX 1977 = 100)*..	129.8	137.2	141.6	141.4	141.7	141.2	4.1
PRODUCER PRICES(ALL COMMODITIES)(INDEX 1982=100).	102.8	106.9	113.1	112.8	112.7	112.0	5.7
CONSUMER PRICES (ALL ITEMS) (INDEX 1982-4=100)...	113.6	118.3	123.8	124.1	124.4	122.9	5.0
			April	May	June		
TOTAL CONSUMER CREDIT OUTSTANDING - (Billion $)..	618.2	671.4	693.7	692.3	697.5	697.5	9.9
GROSS NATIONAL PRODUCT - ANNUAL RATE (Billion$)..			1988 Q4	1989 Q1	1989 Q2		
G.N.P. or Expenditure - Current $..............	4,524	4,881	5,017	5,113	5,204	5,158	7.7
G.N.P. or Expenditure - 1982 $.................	3,854	4,024	4,069	4,107	4,134	4,120	3.2

lb/capita			
Pap&Papbd Othr	Totl	Popul(mil)	
.a - 669 + 17 =	686	243.9	
.b - 681 + 17 =	698	245.5	
.c - 674 + 17 =	691	245.5	

.E - Last month estimated by API

f - Wood Pulp Production excludes def., explo. & scrngs.
g - Adjusted for holiday shutdowns
h - First 3 quarters, annual rate
Q - Quarter

R - Revised
Y - Full year estim. by U.S. Dept. of Com.
RS - Revised Series
* - Seasonally Adjusted.

A2500-2

Paper Paperboard & Wood Pulp

MONTHLY STATISTICAL SUMMARY · Vol. 67 No. 9 SEPTEMBER 1989

PAPER AND PAPERBOARD PRODUCTION: MAINTAINING TREND

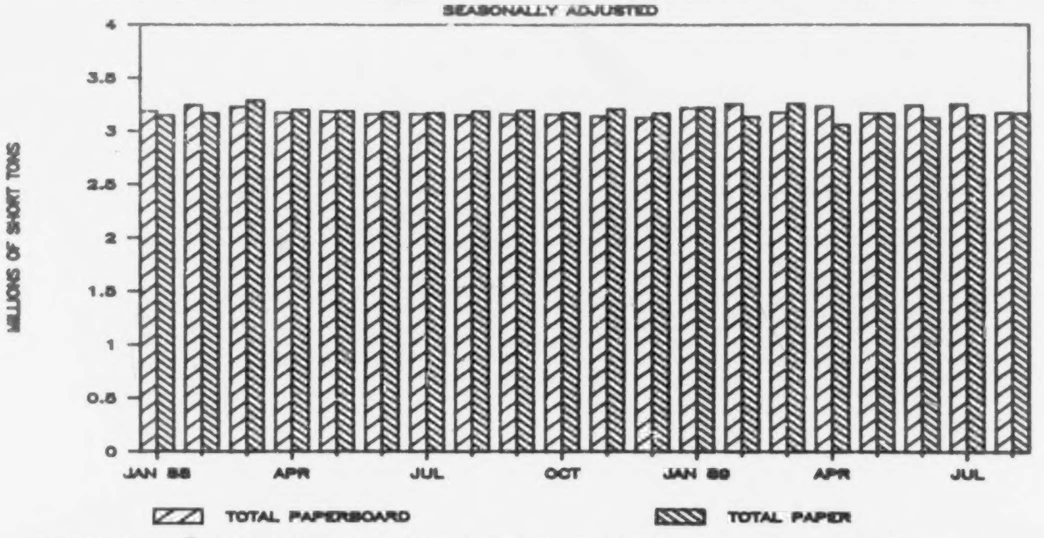
Monthly production totals for both paper and paperboard have been trending upward since their April lows, moving back to the trend established at the beginning of 1988. The August paper total of 3.3 million tons was the second highest monthly level this year and the fourth highest ever. The August paperboard total was the highest for this year and second only to the March 1988 high.

The seasonally-adjusted January-August 1989 paper and paperboard production just about matched its year-ago volume. This steady performance reflected a 0.9% increase in paperboard offset by a 1% decline in paper. In 1988, by contrast, paperboard production rose 1.8% and paper production increased 3.9%. (See graph shown below.)

Inventory drawdowns and sluggish advertising markets appear to have limited paper demand during 1989. On the other hand, paperboard has benefited from a more balanced inventory situation and from increased packaging demand generated by higher industrial production.

Paper: The largest declines in the 1989 year-to-date totals were in shipments of coated papers, which trailed their year-ago volume by 4.7% through August, and packaging papers, which lagged by 3.1%. The major gainers were groundwood paper shipments -- up a notable 8.7% versus year ago -- and tissue paper production, which advanced 2.2%.

PAPER & PAPERBOARD PRODUCTION: 1988-89



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The January-August 1989 totals of U.S. shipments of coated papers registered declines in all major end-use markets, while the import tonnage through July was off 5.2%. The weakness was partly due to inventory trimming in market channels and partly related to sluggish consumption, particularly in advertising-related end-use markets.

There have been some positive signs during recent months, including a strong August performance by coated paper shipments, and gains in new and unfilled orders. New orders have been trending upwards since April and unfilled orders have been rising since May. Unfilled orders at the end of August were 13.8% ahead of their year-ago level. Shipments of uncoated free sheet papers also showed strength in August and unfilled orders for these papers rose sharply. (See page 3 for details.)

Domestic shipments of uncoated groundwood were 8.7% higher than year-ago during the first eight months of 1989, with the month-to-month rate holding flat. However, the high level of U.S. shipments was more than offset by reduced imports. According to API's Printing-Writing Paper Division, imports of uncoated groundwood were off 10.5% through June and the estimated domestic new supply through July trailed its year-ago total by 1.8%.

U.S. newsprint production was up just 0.5% during the first eight months of 1989, while total North American shipments declined 1.3%. Newspaper publishers reduced inventories from 48 days of supply at the end of August 1988 to 43 days at the end of August 1989. Total U.S. consumption of newsprint has exhibited a nearly flat trend since early 1988, even while advertising markets were sluggish.

Shipments of unbleached kraft papers were 4.7% lower than year-ago during January-August of 1989, with much of the negative impetus coming from multiwall sack and other converting grades. On the other hand, shipments of unbleached grocer's bag and sack papers matched their year-ago level during the first eight months of 1989, despite the softening in plastic resin prices that has taken place since late 1988. Imports of kraft papers through July exceeded their year-ago volume by 35.4%, which may have contributed to the decline in domestic shipments.

Paperboard: Seasonally-adjusted paperboard production weakened in August, but cumulative year-to-date production was up 0.9%. Continuing gains in industrial production -- a key indicator of demand for corrugated shipping containers -- was one of the factors that has helped to bolster paperboard demand this year. Fibre box shipments, as reported by the Fibre Box Association, posted a year-to-date gain of 1.8% through August of 1989.

Continued on Page 11

PAPER AND PAPERBOARD STATISTICS

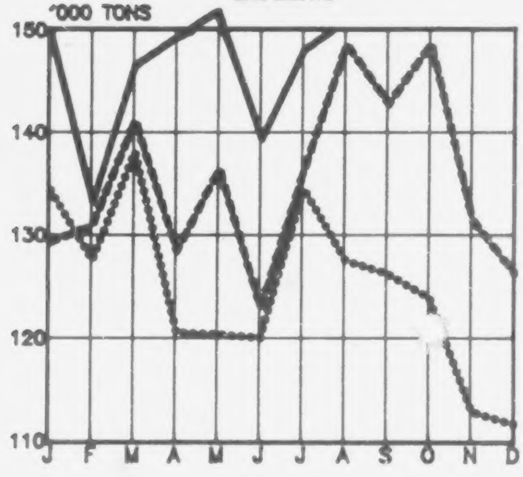
PRODUCTION, SHIPMENTS AND ORDERS
(Thousands of Short Tons)

	YEAR 1987	YEAR 1988	MAY 1989	JUNE 1989	JULY 1989 (R)	AUGUST 1989 (P)	Annual Rate Y-T-D 1989	% Change From same Period Last Year
PAPER								
Newsprint - Production	5,842	5,982	504	498	522	510	5,996	0.5
- Shipments	5,854	5,969	510	498	521	517	5,965	0.8
Printing & Writing Sum	20,778	21,793	1,795	1,737	1,695	1,888	21,467	-1.9
Groundwood Paper - Shipments	1,498	1,624	151	139	148	151	1,752	8.7
- New Orders	1,542	1,654	154	149	151	164	1,775	10.4
-Unfilled Orders	166	208	186	199	191	207	207	16.3
Coated Papers - Shipments	6,860	7,359	580	580	571	652	7,081	-4.7
- New Orders	7,066	7,412	613	636	650	663	7,233	-4.0
- Unfilled Orders	708	751	698	741	828	872	872	13.8
Unctd Free Sheet - Shipments	10,966	11,277	938	886	852	950	11,096	-1.8
- New Orders	11,173	11,298	864	916	868	1,025	11,067	-2.6
- Unfilled Orders	772	790	583	609	613	708	708	-11.2
Thin Papers - Shipments	240	217	17	16	15	16	195	-9.4
Cotton Fiber Paper - Shipments	163	167	14	13	11	12	159	-3.7
Bleached Bristols - Production	1,052	1,150	95	102	98	106	1,183	3.2
Tissue Paper - Production	5,301	5,476	474	466	458	473	5,590	2.2
Total Packaging & Other Paper	4,955	5,047	384	401	392	426	4,881	-3.1
Unbl. Kraft Paper - Shipments RS	2,840	2,800	206	229	212	227	2,664	-4.7
Other Paper - Production RS	2,115	2,247	178	172	180	199	2,217	-1.1
TOTAL PAPER-Production-Unadj.	36,876	38,298	3,157	3,102	3,067	3,296	37,935	-1.1
-Production-S.A.			3,166	3,123	3,151	3,166	37,941	-1.0
PAPERBOARD - PRODUCTION								
Solid Wood Pulp Furnish	28,859	29,316	2,531	2,505	2,577	2,577	29,992	1.7
Total Unbl. Kraft Paperboard	18,898	19,140	1,680	1,644	1,688	1,700	19,697	2.0
Unbl. Kraft Linerboard (1)	17,683	17,897	1,560	1,531	1,569	1,571	18,346	1.7
Production for Export	2,303	2,296	191	160	215	182	2,385	1.4
Other Unbl. Kraft Paperboard	1,215	1,244	121	113	119	129	1,350	7.1
Semichemical Paperboard	5,536	5,664	468	468	479	488	5,719	1.4
Production for Export	193	136	8	11	10	10	138	2.6
Solid Bleached Paperboard	4,406	4,511	382	394	410	389	4,576	0.8
Production for Export	619	628	59	57	54	59	663	5.4
Recycled Paperboard	8,601	8,789	736	718	682	724	8,673	-2.2
Production for Export	75	72	3	3	10	3	46	-44.1
TOTAL PAPERBOARD-Prod.-Unadj.	37,442	38,105	3,266	3,223	3,259	3,300	38,666	0.8
- Containerboard Prod.(Dom. Use)	23,025	23,563	2,033	2,027	2,024	2,072	23,933	1.3
- Boxboard Prod.(Dom. Use)	6,969	7,066	598	613	614	616	7,194	1.2
- All Other P'bd Prod.(D.U.)	4,262	4,344	375	353	332	359	4,307	-2.4
- Total Paperbd Prod. for Export	3,190	3,132	261	230	290	253	3,231	1.1
TOTAL PAPERBOARD PROD.- S.A.			3,167	3,241	3,252	3,174	38,587	0.9
TOTAL PAPER AND PAPERBOARD								
Production - Unadj.	74,318	76,403	6,424	6,325	6,327	6,596	76,600	-0.1
Production - S.A.			6,333	6,364	6,403	6,340	76,528	-0.1

RS - Revised Series
(1)Includes all exports of kraft paperboard.   R - Revised   P - Preliminary   S.A. - Seasonally Adjusted

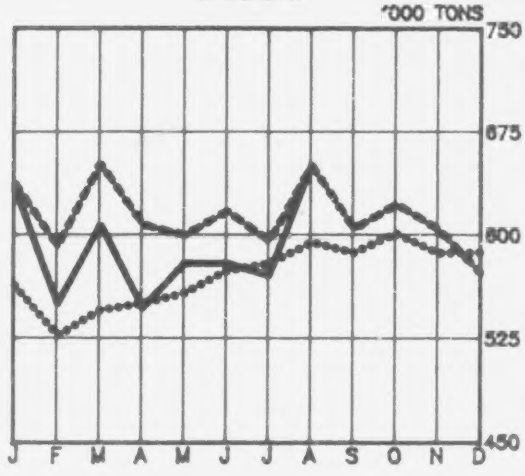
GROUNDWOOD PAPER, UNCOATED

SHIPMENTS



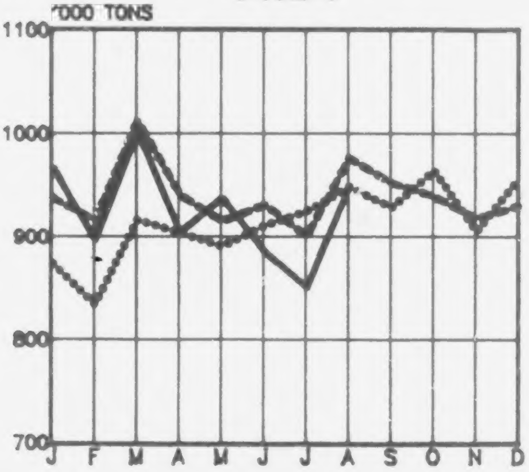
COATED PAPER

SHIPMENTS



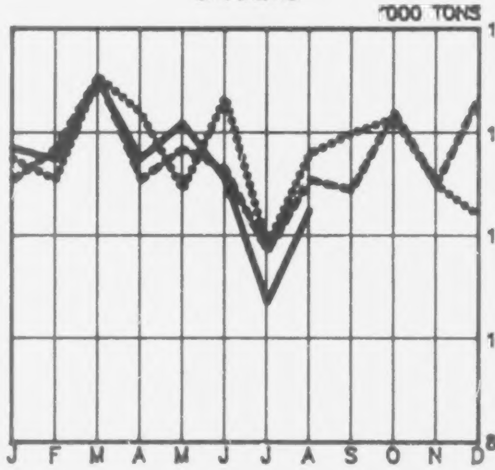
UNCOATED FREE SHEET PAPERS

SHIPMENTS



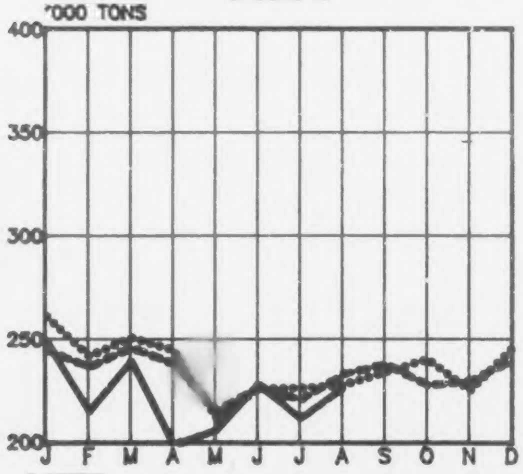
COTTON FIBER PAPER

SHIPMENTS



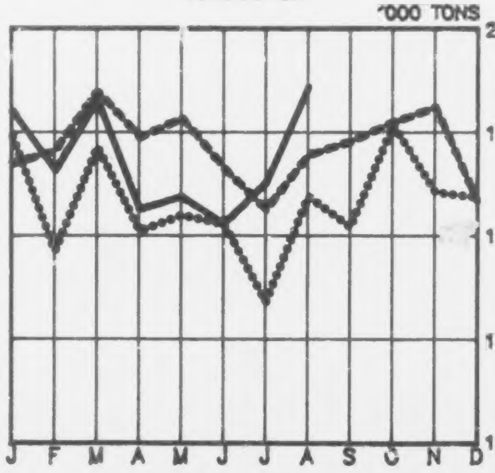
UNBLEACHED KRAFT PACKAGING AND INDUSTRIAL CONVERTING PAPER

SHIPMENTS



OTHER PAPER

PRODUCTION



1987 •••••••• 1988 ▬•▬•▬ 1989 ——

WOOD PULP STATISTICS
(Thousands of Tons)

	YEAR		APRIL	MAY	JUNE	JULY	Annual Rate Y-T-D	% Change from same Period
	1987	1988	1989	1989	1989	1989	1989	Last Year
TOTAL WOOD PULP					R	P		
Total Wood Pulp - Production	59,552	61,161	5,193	5,087	5,102	5,395	62,350	2.3
- Imports	4,850	5,038 A	418	420	389	358	4,933	-1.6
- Exports	4,889	5,528	525	504	562	540	6,372	19.9
- New Supply	59,513	60,671	5,086	5,003	4,930	5,213	60,912	0.5
Dissolving Pulp - Production	1,312	1,367	106	109	102	144	1,427	7.3
- Imports	198	248	24	15	32	13	279	21.4
- Exports	752	865	68	66	79	62	830	-0.4
- New Supply	757	751	63	59	55	95	876	20.6
Paper Grades - Production	48,293	49,493	4,209	4,125	4,167	4,374	50,605	2.6
Chemical Pulp - Imports	4,456	4,419 A	363	381	326	328	4,363	-1.1
- Exports	4,111	4,612	451	435	474	472	5,465	23.3
- New Supply	48,637	49,300	4,121	4,071	4,019	4,230	49,502	0.4
Groundwood and - Production	5,702	5,943	512	497	480	510	5,928	-0.6
Thermo-Mech. - Imports	197	371 A	31	23	31	17	291	-21.8
- Exports	26	51	6	3	8	6	77	54.1
- New Supply	5,872	6,263	537	517	502	521	6,142	-2.3
Semi-Chemical - Production	4,246	4,358	366	356	353	366	4,391	1.5
- Imports								
- Exports								
- New Supply	4,246	4,358	366	356	353	366	4,391	1.5
MARKET WOOD PULP								
Total Market - Production	8,114	8,565	718	721	739	764	8,875	4.7
Wood Pulp - Imports	3,235	3,471	268	307	267	284	3,367	-1.4
- Exports	4,820	5,071	423	446	505	447	5,433	8.8
- New Supply	6,529	6,966	563	581	501	602	6,809	-1.3
Dissolving Pulp - Production	1,308	1,365	105	108	101	144	1,420	7.0
- Imports	154	206	21	10	27	7	202	0.1
- Exports	775	798	63	58	84	51	801	7.4
- New Supply	687	774	63	60	45	99	820	4.8
Paper Grades - Production	6,806	7,200	613	612	638	620	7,455	4.3
Chemical Pulp - Imports	2,975	3,126	238	290	237	276	3,107	2.1
- Exports	4,045	4,273	360	388	422	395	4,632	9.1
- New Supply	5,736	6,052	491	514	453	500	5,930	-0.2
Groundwood Pulp - Production	0	0	0	0	0	0	0	0.0
and All Other - Imports RS	106	139	9	7	3	2	58	-66.0
- Exports	0	0	0	0	0	0	0	0.0
- New Supply	106	139	9	7	3	2	59	-65.9

SOURCES: Total Wood Pulp Production & Market Wood Pulp Production, Imports & Exports - Pulp Division, Pulp, Materials and Technology Group, API. Total Wood Pulp Imports & Exports - Department of Commerce.

NOTE: A - API shifted Import data from January 1989 to December 1988 to compensate for misallocation of reported data.

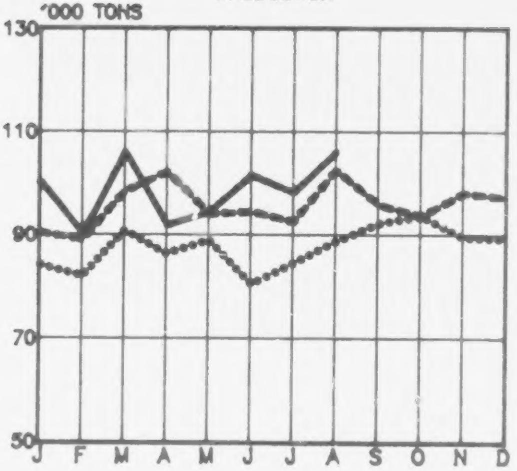
FIBROUS RAW MATERIALS
(Thousands of tons)

	YEAR		APRIL	MAY	JUNE	JULY	Annual Rate Y-T-D	% Change from same Period
	1987	1988	1989	1989	1989	1989	1989	Last Year
CONSUMPTION AT PAPER & PAPERBOARD MILLS					R	P		
Total	77,468	79,707	6,686	6,696	6,576	6,779	80,319	1.1
Total Wood Pulp	59,474	60,847	5,131	5,072	4,985	5,201	61,389	1.2
Waste Paper	17,993	18,860	1,555	1,624	1,591	1,578	18,930	0.7
INVENTORIES								
Chemical Paper Grade Market Pulp								
Producers' Own-Use Inventories	170	172	190	162	164	191	191	-1.3
Producers' Market Inventories	224	261	306	305	300	322	322	36.2
Consumers' Purchased Inventories #	529	622	596	628	588	573	573	4.6
Waste Paper at Paper & Bd. Mills	902	1,029	1,024	1,024	1,036	1,007	1,007	21.0
Days of Supply at Pulp Mills of Chemical Paper Grade Mkt Pulp	12	14	15	15	15	16	16	33.3

SOURCES: Wood Pulp Data, Pulp Division, Pulp, Materials and Technology Group, API. Waste Paper Data, Paper Recycling Committee, API. # Includes all grades of wood pulp.
P - Preliminary; R - Revised; (0) - Indicates zero to five-hundred short tons RS - 1988 Revised Series

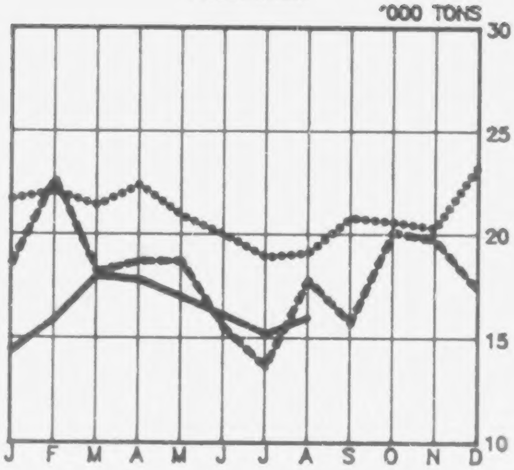
BLEACHED BRISTOLS

PRODUCTION



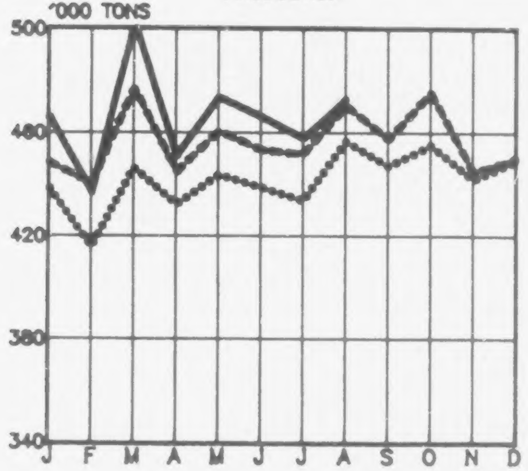
THIN PAPER

PRODUCTION



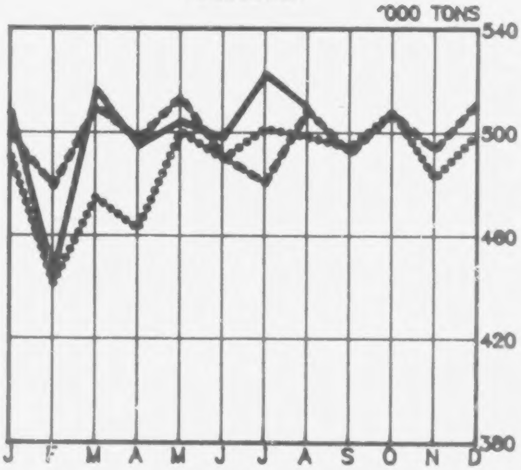
TISSUE PAPER

PRODUCTION



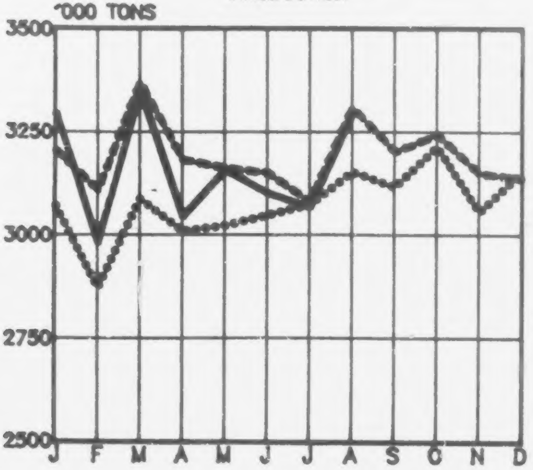
NEWSPRINT

PRODUCTION



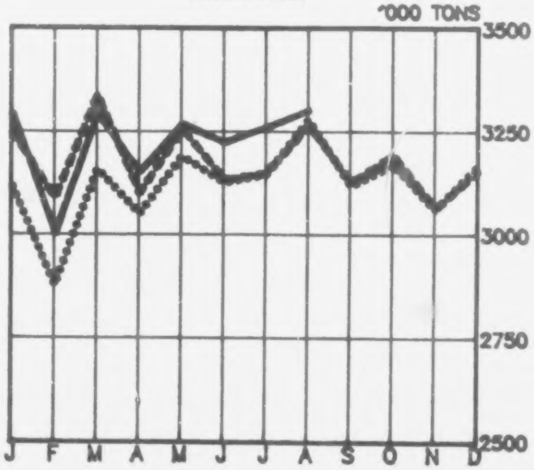
TOTAL PAPER

PRODUCTION



TOTAL PAPERBOARD

PRODUCTION



1987 ········ 1988 ━━━━ 1989 ——

FIBROUS RAW MATERIALS

(Thousands of Standard (128 cubic foot) Cords)

		YEAR		APRIL	MAY	JUNE	JULY	Annual Rate Y-T-D	% Change From Same Period
		1987	1988	1989	1989	1989	1989	1989	Last Year
PULPWOOD									
Total U.S.	- Total Receipts	94,312	95,537	7,858	8,005	8,358	8,476	97,577	3.6
	- Total Consumpt	93,946	95,497	8,040	8,112	8,348	8,548	98,421	3.3
	- Residues *	32,899	33,186	2,761	2,867	2,939	2,989	34,238	3.8
	- Inventories	5,096	4,888	4,402	4,320	4,343	4,191	4,191	-1.0
So. Atlantic	- Total Receipts	31,147	31,582	2,670	2,646	2,616	2,719	31,742	2.7
	- Total Consumpt	30,915	31,567	2,719	2,646	2,697	2,814	32,438	3.8
	- Residues *	9,553	9,897	812	779	801	884	9,905	1.7
	- Inventories	1,211	1,200	964	943	911	811	811	-17.2
Northeast	- Total Receipts	6,941	7,187	530	502	584	590	7,179	3.9
	- Total Consumpt	7,109	7,216	643	582	549	579	7,178	-2.9
	- Residues *	1,543	1,664	142	129	126	97	1,620	1.5
	- Inventories	594	572	533	418	441	444	444	3.3
South Central	- Total Receipts	33.650	33,751	2,829	2,958	2,981	2,913	34,620	4.4
	- Total Consumpt	33,059	33,646	2,750	3,025	3,074	3,050	35,304	5.7
	- Residues *	9,992	9,890	810	944	850	823	10,185	3.6
	- Inventories	1,294	1,160	1,061	986	857	739	739	-21.1
North Central	- Total Receipts	6,552	6,865	437	524	598	582	6,866	-2.7
	- Total Consumpt	6,764	6,929	588	599	593	565	6,999	-1.5
	- Residues *	1,263	1,334	107	125	107	96	1,378	0.0
	- Inventories	830	839	846	786	768	779	779	-2.9
West	- Total Receipts	16,022	16,152	1,392	1,375	1,579	1,672	17,170	6.3
	- Total Consumpt	16,099	16,139	1,340	1,260	1,435	1,540	16,502	2.2
	- Residues *	10,548	10,401	890	890	1,055	1,089	11,150	6.7
	- Inventories	1,167	1,117	998	1,187	1,366	1,418	1,418	30.9

* - Consumption of Residues in Cord Equivalents. SOURCE: American Pulpwood Association 25-Sep-89

UNITED STATES TRADE WITH CANADA

IMPORTS FROM CANADA

		YEAR 1988 Tons	YEAR 1988 ($000's)	JUNE 1989 Tons	JUNE 1989 ($000)	JULY 1989 Tons	JULY 1989 ($000)	Annual Rate Y-T-D 1989 Tons	% Change From same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)		39,337	4,195	6,457	174	422	24	98,206	182.0
Pulpwood chips		876,038	35,184	53,831	1,486	38,456	1,146	860,193	2.1
Wood Pulp, Total	A	4,340,245	2,282,329	346,029	207,222	284,946	175,147	4,267,152	-1.3
Waste Fibrous Materials, Total		227,004	48,450	14,419	2,726	10,104	1,532	174,278	-28.7
Paper, Board & Products, Total	A	10,497,185	5,715,612	889,304	495,650	776,507	433,220	10,682,053	-0.8
Paper, Paperboard, Wet Machine Bd. & Constr. Paper & Bd.	A	10,348,278	5,458,084	872,863	471,154	766,142	411,856	10,505,971	-1.1
Paper, Paperboard & Products	A	10,283,277	5,649,813	879,455	493,044	768,383	431,173	10,517,846	-0.4
Paper & Paperboard, Only	A	10,134,369	5,392,286	863,014	468,547	758,018	409,809	10,341,764	-0.7
Paper, Total	A	9,869,253	5,295,796	822,338	451,828	728,497	397,539	9,931,900	-2.2
Newsprint	A	8,284,709	4,320,023	637,028	329,908	586,492	302,375	7,849,897	-8.3
Printing, Writing & Rel. Pap.	A	1,304,003	807,306	161,464	104,317	121,169	79,601	1,782,210	36.3
Pack. & Ind. Conv. Paper		227,493	120,765	14,384	7,912	14,038	8,238	205,120	-11.8
Special Industrial Paper		4,767	9,106	4,285	4,949	2,956	3,717	39,482	772.1
Tissue Paper		48,281	38,596	5,177	4,743	3,843	3,608	55,191	10.9
Paperboard, Total		265,116	96.490	40,676	16,720	29,521	12,270	409,863	55.8
Convtd Paper&Paperbd Products		148,908	257,528	16,441	24,496	10,365	21.364	176,083	21.3
Wet Machine Board		2,939	2,120	36	31	22	16	331	-98.9
Construction Paper & Board		210,970	63,679	9,812	2,576	8,102	2,031	163,876	-17.0

NOTE: A - API shifted Import data from January 1989 to December 1988 to compensate for misallocation of reported data.

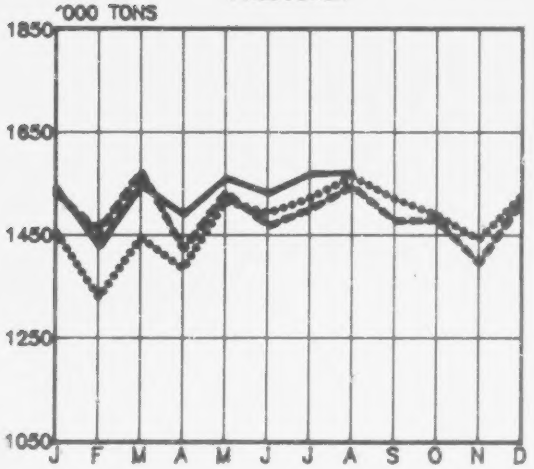
EXPORTS TO CANADA

	YEAR 1988 Tons	YEAR 1988 ($000's)	JUNE 1989 Tons	JUNE 1989 ($000)	JULY 1989 Tons	JULY 1989 ($000)	Annual Rate Y-T-D 1989 Tons	% Change From same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	14,180	836	9,694	124	6,386	79	44,021	131.7
Pulpwood chips	33,040	1,739	2,563	117	3,887	177	26,183	-39.3
Wood Pulp, Total	280,074	101,214	49,277	18,662	13,303	6,207	308,972	19.0
Cotton Pulp & Other Pulp	84,891	24,062	505	321	291	199	6,443	-92.2
Waste Paper	331,999	38,199	22,407	3,231	20,883	3,180	306,856	-1.0
Paper, Board & Products, Total	1,050,117	715,960	115,054	80,470	78,707	58,444	1,002,231	-9.6
Paper, Paperboard, Wet Machine Bd. & Constr. Paper & Bd.	773,973	464,416	80,235	52,448	58,030	38,603	700,102	-14.9
Paper, Paperboard & Products	1,013,157	699,127	112,320	79,498	77,628	58,029	983,076	-8.6
Paper & Paperboard, Only	737,013	447,583	77,500	51,475	56,950	38,187	680,947	-13.7
Paper, Total	340,156	293,175	36,135	34,707	27,460	26,587	346,798	-1.4
Newsprint	5,806	5,304	1,096	976	659	537	7,478	91.9
Printing, Writing & Rel. Pap.	166,667	160,007	22,514	22,472	17,460	17,865	216,296	25.5
Pack. & Ind. Conv. Paper	41,718	29,572	5,544	2,490	4,734	2,390	51,842	32.3
Special Industrial Paper	118,806	90,276	6,255	7,624	3,991	4,834	64,665	-50.7
Tissue Paper	7,160	8,016	726	1,145	616	961	6,518	22.4
Paperboard, Total	396,857	154,408	41,366	16,768	29,490	11,601	334,148	-23.6
Convtd Paper&Paperbd Products	276,145	251,544	34,820	28,022	20,677	19,841	302,129	5.5
Wet Machine Board	6,527	2,590	384	149	306	122	2,460	-65.8
Construction Paper & Board	30,433	14,243	2,351	823	774	294	16,695	-35.0

SOURCE: Bureau of Census, Department of Commerce . E - Estimate of tonnage based on square foot data 25-Sep-89

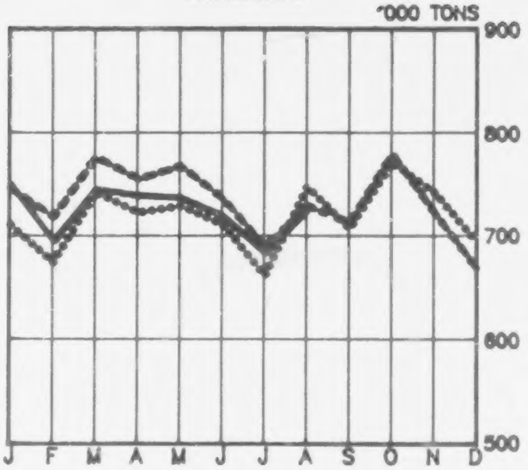
UNBLEACHED KRAFT LINERBOARD

PRODUCTION



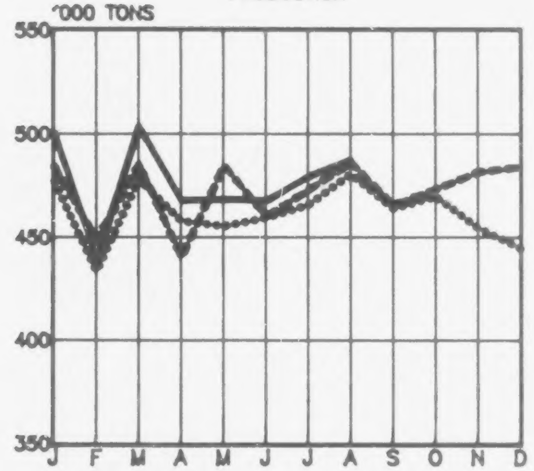
RECYCLED PAPERBOARD

PRODUCTION



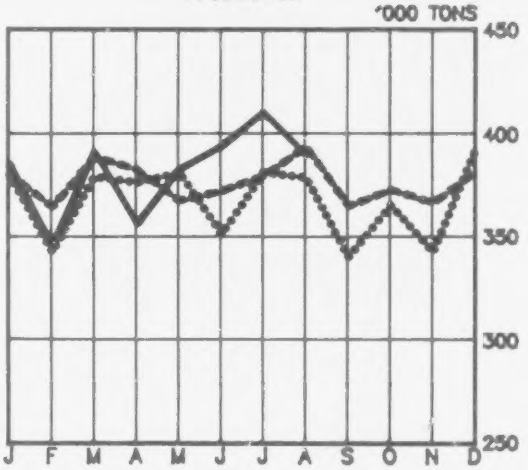
SEMICHEMICAL PAPERBOARD

PRODUCTION



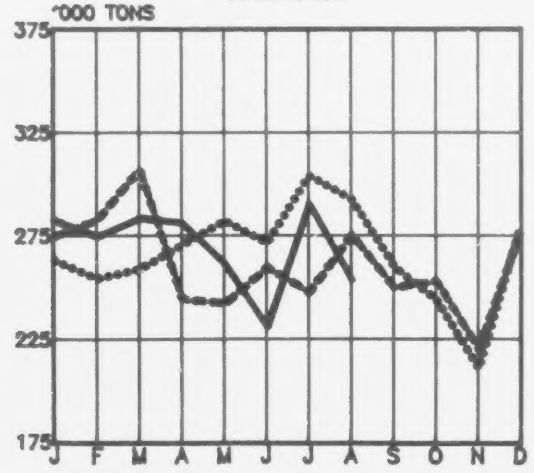
SOLID BLEACHED PAPERBOARD

PRODUCTION



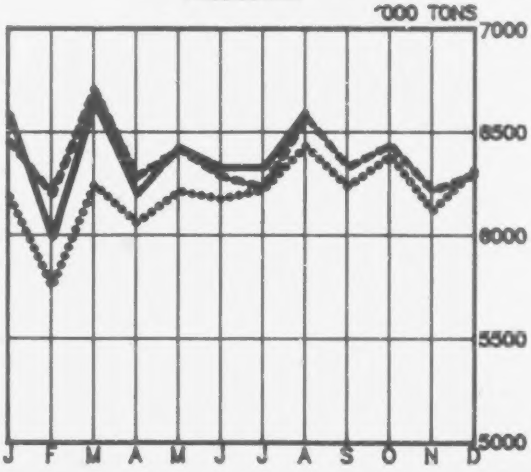
PAPERBOARD FOR EXPORT

PRODUCTION



TOTAL PAPER AND PAPERBOARD

PRODUCTION



1987 ●●●●●●●● 1988 ▬▬▬▬▬ 1989 ━━━━━━

PULP PAPER AND PAPERBOARD IMPORTS AND EXPORTS DATA

I M P O R T S

	YEAR 1988 Tons	1988 $000	1989 JUNE Tons	1989 JUNE $000	1989 JULY Tons	1989 JULY $000	(1) Annual Rate YTD 1989 Tons	% Change from same Period Last Year
• • • •	•	•	•	• •	•	•	•	•
Pulpwood Roundwood (cords)	39,515	4,200	6,457	174	422	24	98,206	182.0
Pulpwood Chips	888,636	35,553	58,170	1,582	38,930	1,162	882,303	2.7
Total All Imports A	18,402,259	10,725,164	1,465,069	925,073	1,300,007	829,624	17,971,948	-2.3
Wood Pulp Total A	5,038.158	2,663,424	389,120	234,711	357,635	220,700	4,933,328	-1.6
Waste Paper	161,367	27,361	14,363	2,664	13,850	1,675	190,831	12.5
Other Fibrous Materials	92,505	32,331	1,070	813	1,025	893	14,536	-84.9
Paper Board & Products Total A	13,110,229	8,002,047	1,060,516	686,886	927,496	606,356	12,833,253	-2.2
Paper Paperboard Wet Machine Bd. & Construction Paper & Board A	12,679,974	6,989,006	1,022,360	599,287	891,001	522,202	12,285,589	-3.3
Paper Ppbd & Prds ex Cnst&WMB A	12,787,784	7,893,637	1,047,121	683,263	915,686	603,062	12,626,423	-1.5
Paper & Paperboard Only A	12,357,530	6,880,596	1,008,965	595,664	879,190	518,908	12,078,759	-2.7
Paper Total A	12,016,519	6,749,882	959,618	568,660	837,629	494,505	11,543,935	-4.4
Newsprint A	8,801,503	4,569,853	661,506	341,654	592,123	305,033	8,035,596	-9.3
Printing & Writing A	2,812,259	1,899,745	256,376	185,810	210,116	151,122	3,017,591	7.2
Uncoated Groundwood	1,362,642	792,881	146,075	88,154	114,832	70,725	1,585,974	11.8
Coated Print.& Impreg. Pap. A	797,765	641,466	62,369	51,728	52,578	43,553	732,659	-5.2
Uncoated Free Sheet A	591,830	414,326	36,317	29,368	34,327	26,830	549,958	-1.7
Uncoated Book A	258,146	175,746	N.L.R.	N.L.R.	N.L.R.	N.L.R.	N.L.R.	N.L.R.
Writing and Similar Paper A	333,683	238,580	36,317	29,368	34,327	26,830	549,958	72.3
Thin (except Cigarette)	55,774	48,804	8,308	10,293	5,083	6,367	88,655	49.6
Bristols	4,247	2,269	5,308	6,267	3,296	3,648	59,345	1714.4
Total Pkg & Other Paper	343,196	231,796	29,570	31,929	25,646	28,915	375,217	14.5
Unbleached Kraft Paper	161,708	76,116	16,664	8,097	15,038	7,352	224,495	35.4
Other Pkg. & Indust. Paper	181,488	155,680	12,906	23,831	10,608	21,563	150,723	-6.9
Tissue	59,561	48,488	10,166	9,267	9,744	9,436	115,530	70.7
Paperboard, Total	341,011	130,714	49,347	27,005	41,561	24,403	534,824	58.8
Test or Containerboard	85,682	36,145	9,766	3,691	8,227	3,167	80,579	9.1
Semi-Chemical Corrugating	142,490	43,596	11,136	3,500	9,967	3,026	130,738	-12.5
Other Paperboard	112,839	50,972	28,444	19,813	23,367	18,210	323,507	185.0
Convtd Paper&Paperbd Products	430,255	1,013,041	38,156	87,599	36,496	84,154	547,664	34.0
Paper Products, Total	393,089	944,974	30,052	73,013	28,648	69,421	450,466	21.1
Paperboard Products, Total	37,166	68,067	8,105	14,586	7,848	14,733	97,198	163.8
Wet machine Board	4,239	3,780	70	65	44	31	582	-86.2
Construction Paper & Board	318,206	104,630	13,325	3,558	11,766	3,263	206,248	-30.2
Notes								
Other: No Weight Avail. ($000)		177,686		12,521		15,052	131,100	-25.9
Total Imports Incl. Other($000)		10,902,850		937,594		844,676	11,254,690	5.5

NOTE: A - API shifted Import data from January 1989 to December 1988 to compensate for misallocation of reported data.

E X P O R T S

							(1)	
Pulpwood, Roundwood (cords)	15,470	894	19,797	280	13,010	241	131,823	541.6
Pulpwood Chips	3,503,100	286,191	327,994	31,167	389,661	35,617	4.437,331	38.3
Total All Exports	17,061,208	7,467,363	1,579,303	750,817	1,569,009	732,071	18,924,376	13.5
Wood Pulp,Total	5,528,292	2,914,521	561,686	323,155	539,878	323,685	6,371,615	19.9
Cotton Pulp and Other Pulp	201,567	111,923	8,569	7,704	7,767	6,641	120,162	-42.7
Waste and Old Paper	5,640,118	688,258	502,249	61,790	532,988	62,917	6,159,963	12.6
Paper, Board & Products,Total	5,691,231	3,752,661	506,799	358,168	488,376	338,828	6,272,636	10.6
Paper,Paperboard,Wet Machine Bd. & Construction Paper & Board	4,876,563	2,701,405	411,561	243,431	411,803	235,690	5,228,837	7.6
Paper, Ppbd & Prod ex Cnst&WMB	5,559,356	3,683,601	503,381	356,859	485,796	337,750	6,236,766	12.6
Paper & Paperboard, Only	4,744,688	2,632,346	408,144	242,121	409,223	234,613	5,192,968	10.0
Paper, Total	1,102,490	988,031	128,861	109,049	127,581	102,846	1,482,898	42.7
Newsprint	427,296	295,474	48,112	27,445	61,492	32,449	638,345	80.5
Printing & Writing	287,208	313,047	50,062	47,146	38,680	39,382	475,121	67.1
Uncoated Groundwood	70,286	58,639	9,734	6,636	6,449	5,277	92,237	40.2
Clay Coated Paper	97,464	79,731	20,376	12,470	12,879	9,307	162,913	59.2
Uncoated Free Sheet	82,660	124,049	9,305	14,218	8,301	11,812	90,637	11.8
Other Printing & Writing	36,799	50,629	10,647	13,823	11.051	12,986	129,334	268.1
Total Pkg. & Other Paper	346,718	342,117	28,965	31,751	25,874	28,515	346,712	-1.5
Unbleached Kraft	110,075	54,975	10,894	5,622	9,667	4,238	116,914	16.4
Other Pkg. & Indust. Paper	236,643	287,142	18,071	26,128	16,207	24,277	229,799	-8.6
Tissue	41,268	37,393	1,722	2,707	1,535	2,501	22,720	-53.8
Paperboard, Total	3,642,198	1,644,314	279,283	133,072	281,641	131,756	3,710,070	0.7
Solid Wood Pulp	3,359,078	1,511,057	259,730	124,164	266,658	124,749	3,523,051	4.0
Total Linerboard	2,281,362	887,846	163,924	63,568	186,236	70,865	2,478,046	8.4
Bleached Kraft Linerboard	140,801	73,728	18,088	9,182	22,100	9,900	255,979	80.6
Unbleached Kraft Linerbd	2,140,562	814,119	145,836	54,386	164,136	60,965	2,222,067	3.7
Other Unbleached Kraft	292,437	102,638	22,260	10,184	21,539	8,930	245,597	-27.2
Other Bleached Kraft	742,918	502,513	70,137	48,831	57,809	44,367	772,611	7.5
Semi-Chemical Corrugating	42,360	18,060	3,408	1,580	1,075	587	26,797	-43.3
Recycled Paperboard	283,121	133,257	19,553	8,907	14,984	7,017	187,019	-36.5
Convtd Paper&Paperbd Products	814,668	1,051,256	95,238	114,738	76,573	103,138	1,043,798	28.2
Paper Products, Total	367,548	682,281	46,074	75,174	35,618	68,677	473,962	34.4
Paperboard Products, Total	447,121	368,975	49,164	39,564	40,955	34,460	569,837	23.5
Wet Machine Board	11,691	4,915	417	165	447	190	3,680	-70.4
Construction Paper & Board E	120,184	64,145	3,001	1,145	2,133	887	32,190	-74.1
Notes								
Other: No Weight Avail. ($000)		9,170		2,973		2,394	22,832	157.5
Total Exports Incl. Other($000)		7,476,533		753,791		734,465	8,723,622	20.8

SOURCE: Bureau of Census, U.S. Department of Commerce. E - Incl. estim. of tonnage based on square foot data.
(1) Annual Rate Year-To-Date is in tons unless otherwise specified in item description. N.L.R. - No longer reported.

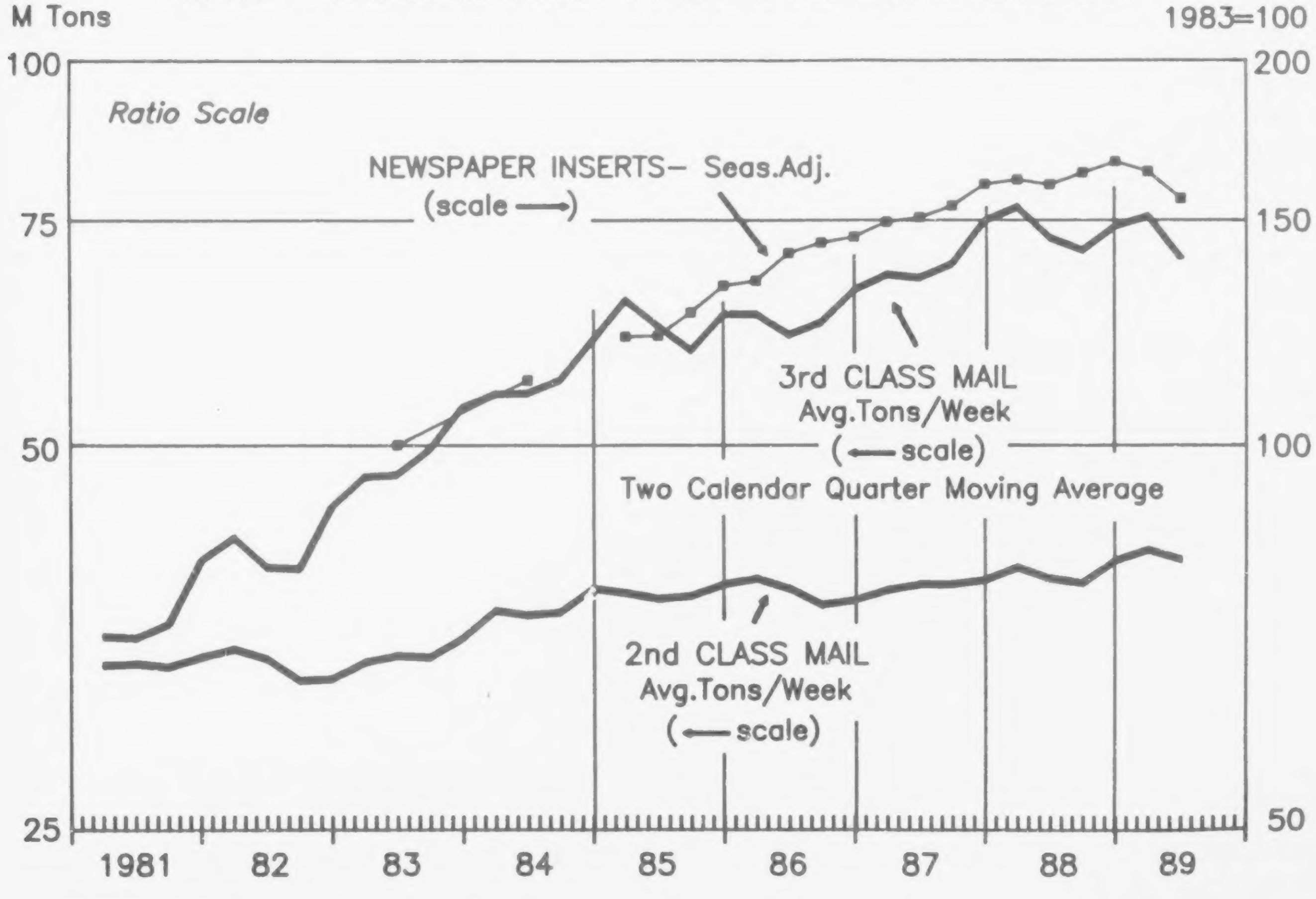
PRODUCER PRICE INDEXES

1982 = 100

	1987	1988	MAY 1989	JUNE 1989	JULY 1989	AUGUST 1989	Annual Rate Y-T-D 1989	% Change from same Period Last Year
Pulp, Paper and Products except Building Grades	114.3	124.8	133.3	133.1	132.8	132.9	132.1	7.3
Pulp Paper & Products, ex. Building Grades & ex Waste Paper *	113.2	123.8	132.9	132.7	132.4	132.5	131.7	7.9
Total Wood Pulp	111.5	136.7	158.4	158.3	159.4	159.5	156.1	17.4
Total Paper	111.5	123.2	131.0	131.0	130.3	129.6	130.3	7.4
Total Paper, exc. Newsprint	110.6	123.4	132.3	132.3	131.2	130.1	131.3	8.5
Newsprint	112.3	127.6	124.1	123.4	123.6	122.6	124.9	-2.2
Total Paperboard	118.1	133.2	143.5	141.3	140.2	140.3	140.6	6.8
Total Paper and Paperboard *	113.6	126.4	134.9	134.2	133.4	133.0	133.5	7.2
Converted Products	114.7	123.0	131.8	131.9	132.0	132.2	130.7	7.8
Waste Paper	181.4	183.6	158.2	157.7	155.3	157.3	157.9	-16.4
All Commodities	102.8	106.9	113.1	112.8	112.7	112.0	112.0	5.4
Industrial Commodities	102.6	106.3	112.4	112.3	112.2	111.4	111.3	5.3

SOURCE: Producer Price Indexes: Bureau of Labor Statistics, U.S. Department of Labor * Computed by API

MAIL VOLUME AND NEWSPAPER INSERTS



SOURCE: API Printing-Writing Paper Division

Total boxboard production for domestic use was up 1.2% during the first eight months of 1989. Among the larger categories, production of folding boxboard for domestic use was up 2%, while output of milk carton and food service registered a more moderate gain of 0.8%. Set-up boxboard production showed a modest decline.

All of the major grades of paperboard, except for recycled, posted year-to-date production gains so far this year. Recycled paperboard production was affected by a large decline in production of gypsum wallboard facings. Unbleached kraft, up 2.0%, showed the largest increase followed by semichemical, up 1.4%, and solid bleached, up 0.8%. In addition to the expansion of domestic demand, stronger exports also contributed to the gains. Production of bleached board for export was up 5.4% this year and production of linerboard for export was up 1.4%.

MARKET WOOD PULP

Operating rates for U.S. capacity of chemical paper grade market wood pulp eased from 97% percent in July to 95% in August, lowering the year-to-date rate to a still-healthy 99%. Production of chemical paper grade market wood pulp exceeded shipments during July and August, as inventories to rose from 299,000 tons at the end of June to 363,000 tons at the end of August. That increase lifted days of supply from 15 at the end of June to 18 at the end of August. Meanwhile, pulp consumers reduced their purchased inventories from 628,000 tons at the end of May to 573,000 tons at the end of July.

COMMERCIAL PRINTING PAPER DEMAND

Commercial printing has been one of the fastest growing end-use markets for printing-writing papers during the past ten years. However, shipments to this market have leveled off since early 1988 as a result of inventory trimming by printers and slower demand growth for some of the key products that they produce.

U.S. paper shipments to commercial printers rose at an average annual rate of 5.6% from 1978 to 1988. Over those same ten years, inflation-adjusted gross national product (real GNP) increased an average of 2.6% a year, while total printing-writing paper shipments advanced at an average rate of 4.1% a year. As a consequence of the category's rapid growth, commercial printing's share of total printing-writing paper shipments rose from 25.6% in 1978 to 29.6% in 1988.

The most dramatic gains in paper demand by commercial printers have been with respect to the coated grades. In particular, commercial printers increased their share of total

U.S. coated paper shipments from 34.0% in 1978 to 41.6% in 1988. The rapid expansion of coated paper demand by commercial printers reflected strong growth in annual reports, direct mail advertising, newspaper inserts, and other products that are frequently printed on coated papers.

In addition to becoming a more important customer market for coated papers, commercial printers have increased their relative share of U.S. groundwood paper shipments from 15.5% in 1978 to 21.3% last year, but their share of uncoated free sheet shipments declined from 28.0% to 26.9%.

Seasonally-adjusted monthly paper shipments to commercial printers rose rapidly during 1986 and 1987, but then leveled off during early 1988. The high starting position of these shipments during early 1988 yielded a 6.4% increase for the entire year; however, cumulative shipments during 1989 have been running slightly behind their year-ago volume. As was noted above, some of the sluggishness in paper shipments to commercial printers probably reflects the printer inventory drawdowns that took place during 1988 and this year. These inventories now appear relatively lean and the August upturn in uncoated free sheet and coated paper inventories suggests that they have stabilized.

There is also evidence of slower growth in demand for some of the key products produced by commercial printers. More specifically, newspaper inserts, which have long been one of the fastest growing end-use markets for inserts, increased just 3.0% last year and are estimated to have trailed their year-ago volume by 0.8% during the first six months of this year. According to the Newspaper Advertising Bureau, the number of newspaper inserts grew at an average annual rate of 8.9% during the past ten years to a 1988 level of 56.4 billion pieces. That volume of inserts translates to approximately 2 million tons of paper -- mainly groundwood and coated, but some uncoated free sheet as well. (See graph on page 10.)

Direct mail advertising is another commercial printing end-use market that has been experiencing slower growth. In particular, the tonnage volume of third class mail, which is a proxy for direct mail advertising, began to slow after postage rates were increased on April 3, 1988, and has remained relatively weak since then. For instance, the tonnage volume of third class mail increased just 1.9% in 1988 and trailed its year-ago level by 3.6% during the first half of 1989. In the 1981-88 period, third class mail tonnage grew at the impressive average annual rate of 9.6%. Postal rate hikes typically depress volume for two to four quarters, but sluggishness in general advertising expenditures may also be contributing to the temporary weakness in third class mail. The Postal Service is expected to seek another rate hike in 1990, but implementation is unlikely to take place until early 1991.

INDUSTRY FACT SHEET

AMERICAN PAPER INSTITUTE, INC.
260 Madison Avenue
New York, New York 10016

September 29, 1989

PRODUCTION (000 TONS)

*	(P) AUGUST 1989	* JULY 1989	* AUGUST 1988	* FIRST 8 MONTHS 1989	* 1988	% CHANGE YR TO DATE 1989/1988
PAPER GRADES						
Newsprint	510	522	509	3,998	3,978	0.5
Printing & Writing	1,888	1,695	1,910	14,312	14,582	-1.9
Uncoated Groundwood (s)	151	148	149	1,168	1,074	8.7
Coated Paper (s)	652	571	651	4,721	4,954	-4.7
Uncoated Free Sheet Paper (s)	950	852	977	7,397	7,535	-1.8
Thin Paper (s)	16	15	18	130	144	-9.4
Cotton Fiber Paper (s)	12	11	14	106	110	-3.7
Bleached Bristols (s)	106	98	103	789	764	3.2
Tissue Paper	473	458	471	3,727	3,648	2.2
Total Pkg & Other Paper	426	392	419	3,254	3,358	-3.1
Unbl. Kraft Paper (s) RS	227	212	233	1,776	1,863	-4.7
Other Paper RS	199	180	186	1,478	1,495	-1.1
TOTAL PAPER	3,296	3,067	3,309	25,290	25,565	-1.1
PAPERBOARD GRADES						
Unbleached Kraft Paperboard	1,700	1,688	1,657	13,131	12,870	2.0
Unbleached Kraft Linerboard	1,571	1,569	1,545	12,231	12,030	1.7
Other Unbl. Kraft Paperboard	129	119	112	900	841	7.1
Semichemical Paperboard	488	479	486	3,813	3,759	1.4
Bleached Paperboard	389	410	394	3,051	3,026	0.8
Recycled Paperboard	724	682	728	5,782	5,910	-2.2
TOTAL PAPERBOARD	3,300	3,259	3,264	25,777	25,566	0.8
TOTAL PAPER AND PAPERBOARD	6,596	6,327	6,573	51,067	51,131	-0.1

WOOD PULP (ALL GRADES)	JULY 1989	JUNE 1989	JULY 1988	FIRST 7 MONTHS 1989	1988	% Change 89/88
Dissolving & Special Alpha	144	102	117	832	776	7.3
Bleached Sulfite) Unbleached Sulfite)	131	129	131	910	898	1.4
Bleached & Semi-Bl. Sulfate	2,350	2,243	2,280	15,907	15,236	4.4
Unbleached Sulfate	1,894	1,795	1,806	12,702	12,633	0.5
Semichemical	366	353	363	2,561	2,523	1.5
Groundwood & Thermomechanical	510	480	497	3,458	3,480	-0.6
TOTAL PULP DIVISION DATA	5,395	5,102	5,194	36,371	35,545	2.3

RS - Revised Series
(s) - Shipments
P - Preliminary

SEPTEMBER 29, 1989

	Full Year		INDUSTRY DATA 1988 - 1989			Ann. Rate Year - To - Date	% From Same Pd. Last Year
				R	P		
PAPER AND PAPERBOARD -- Tons (000)	1987	1988	June	July	August	1989	
Total Production (API)........: excluding :...	74,317	76,403	6,325	6,327	6,596	76,600	-0.1
Total Seasonally Adjusted....:construction:...			6,364	6,403	6,340	76,527	0.0
Imports (including Products).: and wet :...E	12,528	12,788	1,047	916	1,093	12,688	-1.2
Exports (including Products).: machine :...E	5,197	5,559	503	486	540	6,267	13.1
Apparent Consumption.........: grades :...	81,648 a	83,631 b	6,908	6,833	6,893	83,021 c	-1.0
Paper Production % Tonnage Capacity...........	94.4 g	95.3	91.6	87.5	93.0	92.3	-
Paperboard Production % Tonnage Capacity......	95.7 g	95.0	95.4	93.7	94.0	94.5	-
			May	June	July		
IMPORTS.....:Including Construction and :...	12,837	13,110	1,167	1,061	927	12,833	-2.2
EXPORTS.....: WMB Grades (excl. HPB) :...	5,304	5,691	593	507	488	6,273	10.6
MARKET WOOD PULP PRODUCTION - Tons (000)........	8,114	8,565	721	739	764	8,875	4.7
TOTAL WOOD PULP PRODUCTION - Tons (000).........	59,552	61,161	5,087	5,102	5,395	62,350	2.3
WOOD PULP IMPORTS - TONS (000)..................	4,[illegible]50	5,038	420	389	358	4,933	-1.6
WOOD PULP EXPORTS - TONS (000)..................	4,[illegible]9	5,528	504	562	540	6,372	19.9
RAW MATERIALS CONSUMPTION - Tons (000)							
..PAPER AND BOARD MILLS : excluding :			May	June	July		
Wood Pulp............:consumption for:.....	59,475	60,847	5,072	4,985	5,201	61,189	1.2
Waste Paper..........:construction & :.....	17,993	18,860	1,624	1,591	1,578	18,930	0.7
TOTAL..........: WMB grades :.....	77,468	79,707	6,697	6,576	6,779	80,319	1.1
PULPWOOD CONSUMPTION Cords(000)Amer.Pulpwd. Assn	93,346	95,497	[illegible]	8,348	8,548	98,421	3.3
EMPLOYMENT (000)			June	July	August		
Paper and Allied Products..........Total......	680.1	692.6	703.5	701.7	703.3	696.4	0.8
Pulp, Paper and Board Mills........Total.....E	244.9	245.5	250.8	251.0	251.4	247.3	0.4
AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS ($)			June	July	August		
Paper and Allied Products......................	11.43	11.66	11.91	12.05	11.92	11.88	2.3
Pulp, Paper Mills.........................E	14.01	14.31	14.66	14.91	14.80	14.63	2.9
Paperboard Mills..........................E	14.30	14.49	14.60	14.83	14.75	14.62	1.3
CAPITAL EXPENDITURES, PAPER & ALLIED PRODUCTS			1988 Q4	1989 Q1	1989 Q2		
(Rept. by US Dept. of Com., Ann. Rates, Bil.$)*	9.01	11.36	12.47	14.19	14.87	15.50 Y	36.4
INDEX OF OUTPUT PER MAN-HOUR (1977=100)..........			June	July	August		
:IN PULP, PAPER :...Production Workers..........	145.0	148.7	147.7	149.6	146.6	149.8	0.5
:AND BOARD MILLS:...All Employees...............	141.8	146.1	144.5	146.1	143.2	146.3	0.0
PAPER AND ALLIED PRODUCTS (Million $)			May	June	July		
Industry Shipments (Dept. of Commerce)*........	118,855	127,718	10,900	10,906	10,870	130,695	2.8
Pulp, Paper and Paperboard*.................	51,518	57,177	4,923	4,886	4,888	58,577	2.5
Inventories (End of Period) - Total Industry*..	11,284	12,065	12,070	12,320	12,438	12,438	7.9
Pulp, Paper and Paperboard*.................	4,266	4,325	4,679	4,724	4,799	4,799	18.8
			1988 Q4	1989 Q1	1989 Q2		
Sales (Corporations Only)......................	95,576	107,221 RS	26,990	27,281	28,534	111,630	5.6
Earnings (Corporations Only)...................	5,520	8,081 RS	1,911	1,979	2,022	8,002	1.5
Depreciation (Corporations Only)...............	4,279	4,625 RS	1,167	1,187	1,231	4,836	5.4
Net Worth (Corporations Only)..................	39,217	42,940 RS	42,940	44,091	45,242	45,242	8.6
PRICE INDEXES (Bureau of Labor Stats)1982=100			June	July	August		
Pulp, Paper & Products, ex. Building Grades....	114.3	124.7	133.1	132.8	132.9	132.1	7.4
Wood Pulp......................................	111.6	136.7	158.3	159.4	159.5	156.1	17.5
Waste Paper....................................	181.4	183.5	157.7	155.3	157.3	157.9	-16.3
Paper..	111.5	123.2	131.0	130.3	129.6	130.3	7.4
Paperboard.....................................	118.1	133.2	141.3	140.2	140.3	140.6	6.8
PAPER DEMAND (INDEXED: 1977=100)			June	July	August		
Total Paper Production *.......................	133.4	138.2	135.3	136.5	137.2	137.0	-1.0
Paper New Supply *.............................	140.2	144.3	138.5	135.5	141.5	140.7	-2.7
Demand Indicators - (Weighted Average) *.....	154.5	163.7	175.8	175.7	176.8	174.2	7.5
Production of Nondurable Goods *...(21.2%).	136.8	143.9	150.4	150.9	150.9	149.6	4.9
Disposable Income ....*.(23.9%)	130.0	134.9	140.5	141.2	141.9	140.1	4.4
Total Printing and Publishing *...(54.9%).	172.0	183.8	200.9	200.3	202.0	198.6	9.3
Trend Factor	-------------	-------------	------ Not	Available	-------------	-------------	-------------
PAPERBOARD DEMAND (INDEXED: 1977=100)							
Total Paperboard Production *..................	129.2	131.6	134.3	134.8	131.5	133.3	0.9
Production for Domestic Use	126.1	129.0	133.2	131.1	129.2	130.4	0.9
Demand Indicators - (Weighted Average) *.....	125.9	132.5	137.3	137.1	137.3	136.9	4.3
Production of Consumer Goods *...(62.06%)	127.7	133.9	139.6	138.9	139.0	139.0	4.8
Production of Equipment *...(5.75%)	148.8	158.2	165.9	165.7	166.4	164.2	4.4
Production of Materials *...(32.19%)	118.3	125.3	127.7	128.4	128.9	128.0	3.2
Trend Factor	-------------	-------------	------ Not	Available	-------------	-------------	-------------
NEWSPRINT MARKETS			May	June	July		
Consumption by Publishers - Tons (000).........	13,583	13,597	1,151	1,089	1,053	13,214	-0.5
Newspaper Pub. and Printing Empl. Total(000)...	471	475	475	479	477	477	0.6
PRINTING AND FINE PAPER MARKETS							
MAGAZINE ADVERTISING PAGES (PIB, Inc.)..........	164,771	169,704	16,120	14,245	10,492	167,564	4.3
WHOLESALERS SALES AND INVENTORIES (Million $)							
Total Paper & Pap. Prdcts.,ex Wallpaper..Sales	44,741	52,377	4,596	4,802	4,501	54,847	9.0
Inventories (End of Period).	3,850	4,436	4,485	4,501	4,561	4,561	5.9
FIBRE BOX DATA (Fibre Box Association)			June	July	August		
Fibre Box Shipments (Million square feet).......	297,827	308,507	26,576	24,584	27,709	314,301	1.8
Container'bd Inventory at Mill & Plant(000Tons).	2,486	2,553	2,475	2,690	2,648	2,648	-3.1
RETAIL TRADE (Billion $)			June	July	August		
Total Retail Sales *..........................	1,511	1,612	142.5	143.3	144.3	1,699	6.6
Nondurable Goods Stores Sales *..............	950	998	88.5	88.8	88.5	1,051	6.7
GENERAL ECONOMIC DATA			June	July	August		
TOTAL INDUSTRIAL PRODUCTION (INDEX 1977 = 100)*..	129.8	137.2	141.9	142.0	142.4	141.5	4.0
PRODUCER PRICES(ALL COMMODITIES)(INDEX 1982=100).	102.8	106.9	112.8	112.7	112.0	112.0	5.4
CONSUMER PRICES (ALL ITEMS) (INDEX 1982-4=100)...	113.6	118.3	124.1	[illegible]4.4	124.6	123.1	5.0
			May	June	July		
TOTAL CONSUMER CREDIT OUTSTANDING - (Billion $)..	618.2	671.4	692.3	697.3	699.2	699.2	9.6
GROSS NATIONAL PRODUCT - ANNUAL RATE (Billions)..			1988 Q4	1989 Q1	1989 Q2		
G.N.P. or Expenditure - Current $..............	4,524	4,881	5,017	5,113	5,204	5,158	7.7
G.N.P. or Expenditure - 1982 $.................	3,854	4,024	4,069	4,107	4,134	4,120	3.2

lb/capita
Pap&Papbd Othr Totl Popul(mil)
.a - 669 + 17 = 686 243.9
.b - 679 + 17 = 696 246.3
.c - 667 + 17 = 684 248.8
.E - Last month estimated by API

‡ - Wood Pulp Production excludes dst., expld. & scrngs.
g - Adjusted for holiday shutdowns
n - First 3 quarters, annual rate
Q - Quarter

R - Revised
Y - Full year estim. by U.S. Dept. of Com.
RS - Revised Series
* - Seasonally Adjusted.